



California Regulatory Notice Register

REGISTER 2010, NO. 44-Z

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OCTOBER 29, 2010

PROPOSED ACTION ON REGULATIONS

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Conflict of Interest Code — Notice File No. Z2010-1019-02 1791

Multi-County: State and Federal Contractors Water Agency

Upper Kings Basin Integrated Regional Water Management Authority

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

Conflict of Interest Code — Notice File No. Z2010-1019-03 1792

Adoption

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Amendment

Multi-County: Los Gatos Saratoga High School District

Santa Cruz-Monterey-Merced Managed Care Commission dba Central

California Alliance for Health

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The *California Regulatory Notice Register* is an official state publication of the Office of Administrative Law containing notices of proposed regulatory actions by state regulatory agencies to adopt, amend or repeal regulations contained in the California Code of Regulations. The effective period of a notice of proposed regulatory action by a state agency in the *California Regulatory Notice Register* shall not exceed one year [Government Code § 11346.4(b)]. It is suggested, therefore, that issues of the *California Regulatory Notice Register* be retained for a minimum of 18 months.

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PROPOSED ACTION ON REGULATIONS

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TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission, pursuant to the authority vested in it by Sections 82011, 87303, and 87304 of the Government Code to review proposed conflict-of-interest codes, will review the proposed/amended conflict-of-interest codes of the following:

CONFLICT-OF-INTEREST CODES

ADOPTION

MULTI-COUNTY: State and Federal Contractors
Water Agency
Upper Kings Basin Integrated
Regional Water Management
Authority

A written comment period has been established commencing on **October 29, 2010**, and closing on **December 13, 2010**. Written comments should be directed to the Fair Political Practices Commission, Attention **Cyndi Glaser**, 428 J Street, Suite 620, Sacramento, California 95814.

At the end of the 45-day comment period, the proposed conflict-of-interest code(s) will be submitted to the Commission's Executive Director for his review, unless any interested person or his or her duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code(s) will be submitted to the Commission for review.

The Executive Director of the Commission will review the above-referenced conflict-of-interest code(s), proposed pursuant to Government Code Section 87300, which designate, pursuant to Government Code Section 87302, employees who must disclose certain investments, interests in real property and income.

The Executive Director of the Commission, upon his or its own motion or at the request of any interested person, will approve, or revise and approve, or return the

proposed code(s) to the agency for revision and re-submission within 60 days without further notice.

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict-of-interest code(s). Any written comments must be received no later than **December 13, 2010**. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

COST TO LOCAL AGENCIES

There shall be no reimbursement for any new or increased costs to local government which may result from compliance with these codes because these are not new programs mandated on local agencies by the codes since the requirements described herein were mandated by the Political Reform Act of 1974. Therefore, they are not "costs mandated by the state" as defined in Government Code Section 17514.

EFFECT ON HOUSING COSTS AND BUSINESSES

Compliance with the codes has no potential effect on housing costs or on private persons, businesses or small businesses.

AUTHORITY

Government Code Sections 82011, 87303 and 87304 provide that the Fair Political Practices Commission as the code reviewing body for the above conflict-of-interest codes shall approve codes as submitted, revise the proposed code(s) and approve it as revised, or return the proposed code(s) for revision and re-submission.

REFERENCE

Government Code Sections 87300 and 87306 provide that agencies shall adopt and promulgate conflict-of-interest codes pursuant to the Political Reform Act and amend their codes when change is necessitated by changed circumstances.

CONTACT

Any inquiries concerning the proposed conflict-of-interest code(s) should be made to **Cyndi Glaser**, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

AVAILABILITY OF PROPOSED CONFLICT-OF-INTEREST CODES

Copies of the proposed conflict-of-interest codes may be obtained from the Commission offices or the re-

spective agency. Requests for copies from the Commission should be made to **Cyndi Glaser**, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

TITLE 2. FAIR POLITICAL PRACTICES COMMISSION

NOTICE IS HEREBY GIVEN that the Fair Political Practices Commission, pursuant to the authority vested in it by Sections 82011, 87303, and 87304 of the Government Code to review proposed conflict of interest codes, will review the proposed/amended conflict of interest codes of the following:

CONFLICT OF INTEREST CODES

ADOPTION

Multi County: Panoche Drainage District

AMENDMENT

Multi County: Los Gatos Saratoga High School District
Santa Cruz-Monterey-Merced
Managed Care Commission dba
Central California Alliance for Health

A written comment period has been established commencing on **October 29, 2010** and closing on **December 13, 2010**. Written comments should be directed to the Fair Political Practices Commission, Attention Alexandra Castillo, 428 J Street, Suite 620, Sacramento, California 95814.

At the end of the 45-day comment period, the proposed conflict of interest code(s) will be submitted to the Commission's Executive Director for his review, unless any interested person or his or her duly authorized representative requests, no later than 15 days prior to the close of the written comment period, a public hearing before the full Commission. If a public hearing is requested, the proposed code(s) will be submitted to the Commission for review.

The Executive Director of the Commission will review the above-referenced conflict of interest code(s), proposed pursuant to Government Code Section 87300, which designate, pursuant to Government Code Section 87302, employees who must disclose certain investments, interests in real property and income.

The Executive Director of the Commission, upon his or its own motion or at the request of any interested person, will approve, or revise and approve, or return the

proposed code(s) to the agency for revision and re-submission within 60 days without further notice.

Any interested person may present statements, arguments or comments, in writing to the Executive Director of the Commission, relative to review of the proposed conflict of interest code(s). Any written comments must be received no later than **December 13, 2010**. If a public hearing is to be held, oral comments may be presented to the Commission at the hearing.

COST TO LOCAL AGENCIES

There shall be no reimbursement for any new or increased costs to local government which may result from compliance with these codes because these are not new programs mandated on local agencies by the codes since the requirements described herein were mandated by the Political Reform Act of 1974. Therefore, they are not "costs mandated by the state" as defined in Government Code Section 17514.

EFFECT ON HOUSING COSTS AND BUSINESSES

Compliance with the codes has no potential effect on housing costs or on private persons, businesses or small businesses.

AUTHORITY

Government Code Sections 82011, 87303 and 87304 provide that the Fair Political Practices Commission as the code reviewing body for the above conflict of interest codes shall approve codes as submitted, revise the proposed code and approve it as revised, or return the proposed code for revision and re-submission.

REFERENCE

Government Code Sections 87300 and 87306 provide that agencies shall adopt and promulgate conflict of interest codes pursuant to the Political Reform Act and amend their codes when change is necessitated by changed circumstances.

CONTACT

Any inquiries concerning the proposed conflict of interest code(s) should be made to Alexandra Castillo, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

AVAILABILITY OF PROPOSED CONFLICT OF INTEREST CODES

Copies of the proposed conflict of interest codes may be obtained from the Commission offices or the respec-

tive agency. Requests for copies from the Commission should be made to Alexandra Castillo, Fair Political Practices Commission, 428 J Street, Suite 620, Sacramento, California 95814, telephone (916) 322-5660.

TITLE 4. CALIFORNIA SCHOOL FINANCE AUTHORITY

NOTICE OF PROPOSED RULEMAKING ACTION

Article 1, Sections 10152 to 10164 Title 4, Division 15 California Code of Regulations

NOTICE IS HEREBY GIVEN that the California School Finance Authority (CSFA), organized and operating pursuant to Sections 17170 through 17199.5 of the Education Code, proposes to amend the proposed regulations described below after considering all comments, objections and recommendations regarding the proposed action. Any person interested may present statements or arguments relevant to the proposed action to the attention of the Contact Person as listed in this Notice no later than 5:00 p.m. on Monday, December 13, 2010. The CSFA Board, upon its own motion or at the instance of any interested party, may thereafter adopt the proposal substantially as described below or may modify such proposals if such modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person(s) designated in this notice as Contact Person and will be mailed to those persons who submit statements related to this proposal or who have required notification of any changes to the proposal.

PROPOSED REGULATORY ACTION

CSFA proposes to amend Sections 10152 through 10164 of Title 4 of the California Code of Regulations (Regulations). The Regulations implement CSFA's responsibilities related to the Charter School Facilities Program.

AUTHORITY AND REFERENCE

Authority: Sections 17078.57 and 17180 of the Education Code. Section 17078.57 requires that the Authority adopt regulations establishing uniform terms and conditions to apply equally to all applicants for fi-

nancing. Section 17180(a) provides the Authority with the ability to adopt bylaws for the regulation of its affairs and the conduct of its business.

Reference: Sections, 17078.52, 17078.53, 17078.54, 17078.56, 17078.57, and 17078.58, Education Code, and Title 2, Division 4, Part 26.8 (commencing with section 47600), Education Code. The Regulations implement, interpret or make specific Sections 17078.52, 17078.53, 17078.54, 17078.56, 17078.57, and 17078.58 of the Education Code.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Pursuant to Government Code section 11346.1 and Education Code section 17078.57(b), the California School Finance Authority (Authority) may adopt, amend, or repeal the rules and regulations for the Charter School Facilities Program.

Program regulations (Cal Code Regs., tit. 4, §§ 10151 et seq.) provide for a lease agreement between the State, the awardee charter school, and the school district that will hold title to the project facilities. The districts are no longer required to hold title pursuant to SB 592 (Romero, 2009). In working with the charter schools and the school districts regarding the form of the lease agreement, it has become necessary that the program agreement referenced in the regulations be amended to conform to the new legislation.

These regulation amendments are necessary because the Authority must be able to execute agreements on behalf of the State of California prior to disbursing funds under the Charter School Facilities Program to the awardee charter schools that are now eligible for the conversion of an award of a preliminary apportionment to either an advance (for site acquisition costs) or final apportionment (facility construction).

The program regulations need to be amended to reflect the change to the title holder of the project facilities, as well as some additional clarifying amendments to the language. Without implementation of these regulations, California charter schools will be impacted in the construction of charter school facilities that have met all other statutory and regulatory requirements for construction. The inability to disburse the advance or final apportionment of funds would result in charter schools that serve California students losing out on a resource that would assist them in meeting their facility needs. The funds provided by this program are critical to serving the needs of charter schools and the students they educate.

The proposed amendments include:

Section 10152

- Definition of "Chartering authority" is clarified as the governing board of the chartering authority.

Section 10153

- Provides clarification that if an application is incomplete when received, and any additional information is not provided upon request, the application may be identified as incomplete and the applicant will not be eligible for consideration.

Section 10154

- Amends language to conform to statutory changes allowing rehabilitation as an eligible project.
- Provides clarification that two years of charter experience specifically means two full years of instructional experience.
- Clarifies factors to be considered when making a financially sound determination, to include but not be limited to: 1) a school's good standing with its chartering authority as well as any other factors that may impact its charter standing or renewal; 2) consistency in meeting student academic achievement standards; and 3) guarantor criteria will also apply to any co-borrowers.
- Conforms name references for the chartering authority.
- Identifies an initial determination of financial soundness may be withdrawn prior to final apportionment if a previously identified area of concern has not been remedied.

Section 10155

- Provides that applications will need to include projected enrollment, broken out by grade level, for the next five years or through the first two fiscal years following occupancy of the program-funded facility.
- Verification of retention percentage to show year-to-year retention rate.
- Clarification that projected income statements and cash flows, including written assumptions, will be needed for five years or through the first two fiscal years following occupancy of the program-funded facility.
- Clarifies that guarantor criteria will also apply to any co-borrowers.
- New language requiring applications include detailed disclosure of all existing and anticipated debt obligations, including:
 - List the total amounts, annual amounts, interest rates, and maturity dates of all existing and anticipated short- and long-term debt obligations of the applicant or charter school;
 - A description of the equipment or facilities financed with the debt obligations;

- If applicable, provide information about any debt covenants that could impact the program debt obligation; and
- Provide copies of all financing documents associated with the debt obligations.

Section 10156

- Clarifying language that the method of making a determination will include consideration of certain information as a basis for determining an applicant's financial soundness, including but not limited to: 1) student performance data; 2) reasonableness of financial performance and corresponding assumptions; 3) evidence of applicant's current and likely continued good standing and charter status with its chartering authority.
- Clarifies that guarantor criteria will also apply to any co-borrowers.

Section 10157

- New language that evidence of continued financial soundness will include reports showing evidence of the chartering authority's routine oversight of the charter school's activities.

Section 10158

- Amended language clarifying that updated information provided by applicants will need to include: 1) projected enrollment, broken out by grade level, for the next five years or through the first two fiscal years following occupancy of the program-funded facility; 2) financial projections, including written assumptions, for the next five fiscal years or through two full years of occupancy at the program-funded facility; 3) guarantor criteria will also apply to any co-borrowers; and 4) detailed documentation of all debt obligations.

Section 10159

- Clarifies that guarantor criteria will also apply to any co-borrowers.

Section 10160

- Verification of statutory changes to the designated interest rate prescribed in Education Code, section 17078.57(a)(1)(D) and (E).
- New language requiring evidence any lump sum payment to be provided toward the local matching share obligation is available and restricted for purposes of making the payment.

Section 10161

- Clarification that title to project facilities may be held by the school district where the facility will be physically located.

- New language authorizing that title to project facilities may be held by a charter school or a local governmental entity other than the school district in accordance with Section 1859.172 of the School Facility Program Regulations.

Section 10162

- Conforms name references for the Program Agreements, including the memorandum of understanding and/or funding agreement.

Section 10164

- Clarifies that guarantor criteria will also apply to any co-borrowers.
- New language clarifying that prior to the release of funds for site acquisition or new construction for final charter school apportionments, a charter school holding title to the project facility must comply with section 1859.172 of the School Facility Program Regulations.

OTHER MATTERS PRESCRIBED BY STATUTES APPLICABLE TO THE SPECIFIC STATE AGENCY OR TO ANY SPECIFIC REGULATION OR CLASS OF REGULATIONS

No other matters prescribed by statute are applicable to CSFA or to any specific Regulation or class of Regulations pursuant to 11346.5(a)(4) of the California Government Code pertaining to the proposed Regulations or CSFA.

MANDATE ON LOCAL AGENCIES OR SCHOOL DISTRICTS

CSFA has determined that these amendments to the program regulations do not impose any additional mandate on local agencies or school districts for a new program or higher level of service of an existing program.

FISCAL IMPACT

CSFA has determined that the Regulations do not impose any additional cost or savings to any state agency, any costs to any local agency or school district requiring reimbursement under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, any other non-discretionary cost or savings to any local agency, or any cost or savings in federal funding to the State.

INITIAL DETERMINATION REGARDING ANY SIGNIFICANT, STATEWIDE ADVERSE ECONOMIC IMPACT DIRECTLY AFFECTING BUSINESS

CSFA has made an initial determination that the Regulations will not have any significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

EFFECT ON SMALL BUSINESSES

CSFA has determined that the adoption of the Regulations will not affect small business. The Grant is a voluntary financing program available to charter schools to assist in the financing of charter school facilities.

COST IMPACTS

The CSFA is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed actions.

ASSESSMENT OF EFFECT ON JOBS AND BUSINESS EXPANSION, ELIMINATION OR CREATION

CSFA has determined, pursuant to Government Code section 11346.3(b), that the Regulations will not have an effect on jobs and business expansion, elimination or creation.

COST IMPACT ON HOUSING

The Regulations will not have any effect on housing costs.

REASONABLE ALTERNATIVES

In accordance with Government Code Section 11346.5(a)(13), CSFA must determine that no reasonable alternative to the Regulations considered by CSFA or that has otherwise been identified and brought to the attention of CSFA would be more effective in carrying out the purpose for which the Regulations are proposed or would be as effective and less burdensome to affected private persons than the Regulations.

CSFA invites interested persons to present statements with respect to alternatives to the Regulations during the written comment period.

AGENCY CONTACT PERSON(S)

Written comments, inquiries, and any questions regarding the substance of the Regulations shall be submitted or directed to:

Katrina Johantgen, Executive Director
California School Finance Authority
304 South Broadway, Suite 550
Los Angeles, CA 90013-1224

or

915 Capitol Mall, Room 220
Sacramento, CA 95814
(916) 651-7710

Or by email at csfa@treasurer.ca.gov

The following person is designated as a backup contact person for inquiries only regarding the Regulations:

Mark Paxson, Staff Counsel
State Treasurer's Office
(916) 651-6846

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the Regulations to CSFA. The written comment period on the Regulations will end at 5:00 p.m. on December 13, 2010. All comments to be considered by CSFA must be submitted in writing to the Agency Contact Person identified in this Notice by that time. In the event that changes are made to the Regulations during the written comment period, CSFA will also accept additional written comments limited to any changed or modified Regulations for 15 calendar days after the date on which such Regulations, as changed or modified are made available to the public pursuant to title 1, Chapter 1, Section 44 of the California Code of Regulations. Such additional written comments should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF INITIAL STATEMENT OF REASONS, RULEMAKING FILE AND EXPRESS TERMS OF PROPOSED REGULATIONS

Pursuant to the California Government Code, CSFA has established a rulemaking file for this regulatory action, which contains those items required by law. The file is available for inspection at CSFA's office at 915 Capitol Mall, Sacramento, California, during normal

business hours. As of the date this Notice is published in the Notice Register, the rulemaking file consists of this Notice, the Initial Statement of Reasons, and the proposed text of the Regulations. Copies of these items are available upon request, from the Agency Contact Person designated in this Notice. The Sacramento address will also be the location for inspection of the rulemaking file and any other public records, including reports, documentation and other materials related to this proposed regulatory action. In addition, the rulemaking file, including the Initial Statement of Reasons and the proposed text, may be viewed on CSFA's Web site at www.treasurer.ca.gov/csfa.

PUBLIC HEARING

No public hearing regarding the Regulations has been scheduled. Anyone wishing a public hearing must submit a request in writing, pursuant to Section 11346.8 of the Government Code, to CSFA at least 15 days before the end of the written comment period. Such request should be addressed to the Agency Contact Person identified in this Notice and should specify the Regulations for which the hearing is being requested.

15-DAY AVAILABILITY OF CHANGED OR MODIFIED TEXT

After the written comment period ends and following a public hearing, if any is requested, CSFA may adopt the Regulations substantially as described in this Notice, without further notice. If CSFA makes modifications that are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public (including through CSFA's Web site described above) for at least fifteen (15) calendar days before CSFA adopts the proposed Regulations, as modified. Inquiries about and requests for written copies of any changed or modified regulations should be addressed to the Agency Contact Person identified in this Notice.

AVAILABILITY OF FINAL STATEMENT OF REASONS

CSFA is required to prepare a Final Statement of Reasons pursuant to Government Code section 11346.9. Once CSFA has prepared a Final Statement of Reasons, a copy will be made available to anyone who requests a copy and will be available on CSFA's Web site described above. Written requests for copies should be addressed to the Agency Contact Person identified in this Notice.

TITLE 9. DEPARTMENT OF MENTAL HEALTH

CALIFORNIA CODE OF REGULATIONS

General Mental Health Services Act

Notice published: October 29, 2010

NOTICE OF PROPOSED RULEMAKING

NOTICE IS HEREBY GIVEN that the Department of Mental Health ("Department") is proposing to take the action described in the Informative Digest after considering all comments, objections, and recommendations regarding the proposed action.

PUBLIC HEARING

The Department will hold a public hearing starting at 10:00 a.m. on **December 14, 2010**, at the California Department of Water Resources Auditorium located at 1416 9th Street, 1st Floor in Sacramento, California. The Auditorium is wheelchair accessible. At the hearing, any person may present statements or arguments orally or in writing relevant to the proposed action described in the Informative Digest. The Department requests but does not require that persons who make oral comments at the hearing also submit a written copy of their testimony at the hearing. The hearing will end when all comments have been received or at 5:00 p.m. whichever comes first.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Department. Comments may also be submitted by facsimile (FAX) at 916-651-3852 or by e-mail to DMH.Regulations@dmh.ca.gov. The written comment period closes at **5:00 p.m. on December 14, 2010**. The Department will consider only comments received at the Department offices or at the public hearing, by that time. Submit comments to:

Stephanie L. Fields
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 651-1446

AUTHORITY AND REFERENCE

Pursuant to the authority vested by Section 5898 of the Welfare and Institutions Code, the Department of Mental Health (Department) is seeking changes to:

Division 1 of Title 9 of the California Code of Regulations as follows: Adopt Article 2 Sections 3200.085, 3200.117, 3200.126, and 3200.227, Repeal Article 2 Sections 3200.020 and 3200.250, Amend Article 3 Sections 3300, 3310, and 3410, Amend Article 5 Sections 3500 and 3505, and Amend Article 6 Section 3640. This proposed action implements, interprets, and makes specific Sections 5600, 5610, 5664, 5681, 5718, 5802, 5806, 5813, 5814, 5820, 5830, 5840, 5846, 5847, 5848, 5890, 5891, 5892, 5893, 5897, and 5898 Welfare and Institutions Code; Mental Health Services Act, Section 3.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

This rulemaking action clarifies and updates existing MHSA regulations. Adoption of these regulations is necessary to implement the provisions required by the MHSA.

The California voters approved Proposition 63 during the November 2004 General Election. Proposition 63 became effective on January 1, 2005, as the Mental Health Services Act (MHSA). The MHSA expands mental health services to children/youth, adults and older adults who have serious mental illness or serious emotional disturbance and whose service needs are not being met through other funding sources. Through imposition of a 1% tax on personal income in excess of \$1 million, the MHSA provides the opportunity for the Department of Mental Health (DMH) to offer increased funding, personnel and resources to support county mental health programs and monitor progress toward statewide goals for children/youth, adults, older adults and families.

The MHSA directs county mental health programs to develop and submit a Three-Year Program and Expenditure Plan (Plan). The Plan is comprised of five components of activities and/or services for which the MHSA funding can be spent. The components are Community Services and Supports for children, transition-age youth, adults and older adults; Capital Facilities and Technological Needs; Workforce Education and Training; Prevention and Early Intervention; and Innovation.

Given the scale of each component, DMH is implementing each component on a sequential and/or phased-in approach. Accordingly, regulations related to each component are being drafted through a concurrent process as the MHSA components are developed.

Specifically, these regulations eliminate "Bridge Funding", as Counties have received MHSA funds and begun implementing MHSA programs and projects, and there is no longer a need for this type of funding. These regulations eliminate "Planning Estimate", as

this term has been replaced by the Department by the term “Component Allocation”. These regulations define the terms “Distribution”, “Fiscal Year” to ensure the Counties understand the terms as having specific meaning in the context of MHSA. These regulations also give the Department the opportunity to change typographical/grammatical errors and allow the Department to move and incorporate existing regulation text to more appropriate sections.

This DMH rulemaking repeals two regulation sections, amends six regulation sections and adopts four regulation sections, located in the California Code of Regulations Title 9, Division 1, Chapter 14, Article 2, Definitions, Article 3, General Requirements, Article 5, Reporting Requirements and Article 6, Community Services and Supports.

MATERIAL INCORPORATED BY REFERENCE

Supporting documentation and relevant materials the Department relied upon in the Initial Statement of Reasons and/or the Informative Digest include:

DMH Information Notice 10-04

Clarification and Modifications to Enclosures for the Proposed Guidelines for the Mental Health Services Act (MHSA) Fiscal Year 2010/11 Annual Update to the Three-Year Program and Expenditures Plan

<u>Enclosure 1</u> ~	Exhibit Listing and Instructions
<u>Enclosure 2</u> ~	Exhibit C1 Instructions to Implementation Progress Report
<u>Enclosure 3</u> ~	Exhibit C1 Implementation Progress Report
<u>Enclosure 4</u> ~	Exhibit D Previously Approved Programs for CSS
<u>Enclosure 5</u> ~	Exhibit E4 PEI Budget Summary
<u>Enclosure 6</u> ~	Exhibit F3 TN New and Existing Project Description
<u>Enclosure 7</u> ~	Exhibit F4 PEI New Program Description
<u>Enclosure 8</u> ~	Exhibit F5 INN New Program Description
<u>Enclosure 9</u> ~	Exhibit I Training, Technical Assistance and Capacity Building Request

THE DEPARTMENT HAS MADE THE FOLLOWING INITIAL DETERMINATIONS

The proposed regulatory action imposes mandates when and if a County Mental Health Department applies for funds pursuant to these regulations. Proposition 63 created the Mental Health Services Act, which

expanded mental health services, and was passed by the voters in November 2004. The County may choose to participate in the MHSA program; it is not a mandated program. If a county chooses to participate in this program, the State will provide funding to the county based on its approved Three-Year Program and Expenditure Plan.

DMH has determined that the regulations would not have a significant, statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states.

- Mandate on local agencies and school districts: **None.**
- Cost or savings to any state agency: **None.**
- Cost to any local agency or school district which must be reimbursed in accordance with Government Code sections 17500 through 17630: **None.**
- Other nondiscretionary cost or savings imposed on local agencies: **None.**
- Cost or savings in federal funding to the state: **None.**
- Significant, statewide adverse economic impact directly affecting business including the ability of California businesses to compete with businesses in other states: **None.**
- Cost impacts on a representative private person or businesses: The DMH is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. These regulations **only** affect those County Mental Health Departments that choose to participate.
- Significant effect on housing costs: **None.**
- Small Business Determination: The proposed regulations would not affect small businesses as these regulations **only** affect those County Mental Health Departments that choose to participate.

Adoption of these regulations will not:

- (1) create or eliminate jobs within California;
- (2) create new businesses or eliminate existing businesses within California; or
- (3) affect the expansion of business currently doing business within California.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative considered by the Department or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which this action is proposed

or would be as effective and less burdensome to affected private persons than the proposed action described in this Notice.

The proposed regulatory action imposes mandates when and if a County Mental Health Department applies for funds pursuant to these regulations. These funds are available through the Mental Health Services Act.

The Department invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations at the scheduled hearing or during the written comment period.

CONTACT PERSONS

Inquiries concerning the proposed administrative action may be directed to:

Stephanie L. Fields
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 651-1446

Backup Contact:

Alice Lee
Department of Mental Health
1600 9th Street, Room 435
Sacramento, CA 95814
(916) 654-2319

Please direct requests for copies of the proposed text of the regulations, the Initial Statement of Reasons, or other information upon which the rulemaking is based to Ms. Fields at the above address. Comments may also be submitted by facsimile (FAX) at (916) 651-3852 or by e-mail to DMH.Regulations@dmh.ca.gov. Comments must be submitted prior to **5:00 p.m. on December 14, 2010**.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

The Department has available the rulemaking file for inspection and copying at its office at 1600 9th Street, Room 435, Sacramento, CA 95814. As of the date this notice is published in the Notice Register, the rulemaking file consists of copies of the exact language of the proposed regulations, the Initial Statement of Reasons, and all of the information upon which the proposal is based. These documents may also be viewed and downloaded from the Department's website at www.dmh.ca.gov.

Following the public comment period the Department may thereafter adopt the proposals substantially as described below or may modify the proposals if the modifications are sufficiently related to the original text. With the exception of technical or grammatical changes, the full text of any modified proposal will be available for 15 days prior to its adoption from the person designated in this Notice as contact person and will be mailed to those persons who submit written comments related to this proposal, or who provide oral testimony if a public hearing is held, or who have requested notification of any changes to the proposal.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be viewed and downloaded from the Department's website at www.dmh.ca.gov or by contacting Ms. Fields at the above address.

TITLE 10. DEPARTMENT OF REAL ESTATE

REGULATIONS PROPOSAL: USE OF NICKNAMES IN LICENSED REAL ESTATE PRACTICE

NOTICE IS HEREBY GIVEN

The Commissioner ("Commissioner") of the Department of Real Estate ("Department") proposes to adopt rules relating to the business use of nicknames by licensees under the Real Estate Law (Business and Professions Code ("Code") Section 10000 et seq.). In this rulemaking action the Commissioner proposes to amend Section 2731 within Article 5, Chapter 6, Title 10 of the California Code of Regulations ("Regulations"). Section 2731 currently consists of four subsections, (a) through (d), placing limitations on the use of fictitious names by licensees. This proposal adds a new subsection, 2731(e), to exclude a natural person's nickname (with certain limitations) from the meaning of "fictitious name" as used elsewhere in Section 2731.

PUBLIC HEARING

The Department has not scheduled a public hearing on this proposed action. However, the Department will hold a hearing if it receives a written request for a public hearing from any interested person, or his or her authorized representative, no later than 15 days before the close of the written comment period.

WRITTEN COMMENT PERIOD

Any interested person, or his or her authorized representative, may submit written comments relevant to the proposed regulatory action to the Commissioner addressed as follows:

Regular Mail

Department of Real Estate
Attn: Daniel E. Kehew, Sacramento Legal Office
2201 Broadway
Sacramento, CA 95818

Electronic Mail

DRERegulations@dre.ca.gov

Facsimile

(916) 227-9458

**Comments may be submitted until 5:00 p.m.,
Monday, December 13, 2010.**

INFORMATIVE DIGEST/PLAIN ENGLISH OVERVIEW

Effective July 1, 2009, Section 10140.6(b)(1) of the California Business and Professions Code (“Code”) provided that a real estate licensee shall disclose his or her license identification number on all solicitation materials intended to be the first point of contact with consumers and on real property purchase agreements when acting as an agent in those transactions. The name of the licensee alone does not provide this protection due the commonality of many names and the use of nicknames or team names in the course of doing business. Further, this section provided that the commissioner may adopt regulations identifying the materials in which a licensee must disclose a license identification number. Regulation 2773 was adopted subsequently to implement the statutory amendment and make specific the types of solicitation and contact information to which the amendment applies.

The section affected by the present proposal, Section 2731, regulates use of names other than those legal names that appear on the licensee’s license.¹ This section protects the public by ensuring that both the Department and a member of the public can quickly and accurately identify any licensee involved in a transaction. Section 2731 currently does not allow for the use of nicknames, which are commonly used substitutions for a licensee’s legal “first name.”

¹ Section 2731 was added to the Regulations in 1950. This section was rarely amended in the intervening 60 years. Most recently, Section 2731 was amended in 2009 to add subsection (d), limiting use of the term “escrow” within a broker’s business name.

The practice of using nicknames appears to be widespread within the real estate industry, as in American society generally. As indicated above, Department staff believe that the adoption of Section 10140.6(b)(1) was, at least in part, a reaction to the extensive use of nicknames and the difficulty faced by the Department in regulating that aspect of industry behavior.

Given the additional protection (clear, specific licensee identification through the license identification number) now afforded by Section 10140.6(b)(1) of the Code and Section 2773 of the Regulations, the Department now proposes to amend Section 2731 to permit the use of nicknames. This proposal will allow a licensee who is a natural person (in other words, excluding a corporation) to conduct activity requiring a license while using that licensee’s commonly used nickname.

Purpose: This amendment will permit licensees who are natural persons to use nicknames during activities requiring a license.

Rationale: Recent statutory and regulatory changes provided a more suitable safeguard to ensure that licensees could be quickly and accurately identified in the course of business. Acknowledging the common use of nicknames within the industry, the Department proposes to amend the limitations on “fictitious” names to allow use of nicknames where the new safeguards are in effect.

AUTHORITY

Section 10080, Business and Professions Code.

REFERENCE

Section 1090.5, Civil Code.

AVAILABILITY OF MODIFIED TEXT

The text of any modified regulation, unless the modification is only non-substantial or solely grammatical in nature, will be made available to the public at least 15 days prior to the date the Department adopts the regulation(s). A request for a copy of any modified regulation(s) should be addressed to the contact person designated below. The Commissioner will accept written comments on the modified regulation(s) for 15 days after the date on which they are made available. The Commissioner may thereafter adopt, amend or repeal the foregoing proposal substantially as set forth above without further notice.

AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS/INTERNET ACCESS

The express terms of the proposed action may be obtained upon request from the Sacramento offices of the

Department. An initial statement of reasons for the proposed action containing all the information upon which the proposal is based is available from the contact person designated below. These documents are also available at the Department's website at www.dre.ca.gov. (Under the "Home" tab, click on "Decisions Pending and Opportunities for Public Participation.") As required by the Administrative Procedure Act, the Department's Sacramento Legal Office maintains the rulemaking file. The rulemaking file is available for public inspection at the Department of Real Estate, 2201 Broadway, Sacramento, California.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the contact person named in this notice or may be accessed on the website listed above.

CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the Department must determine that no reasonable alternative it considered, or that has otherwise been identified and brought to the attention of the Department, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

FISCAL IMPACT DETERMINATIONS

In accordance with Government Code section 11356.5, subdivision (a)(6), the Department has determined that there is no substantial economic impact on any party from this proposal, specifically concluding that this proposal:

- Will not result in any significant cost or savings to a state agency.
- Does not impose a mandate on local agencies or school districts, or a mandate that is required to be reimbursed pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- Does not impose other non-discretionary costs or savings upon local agencies.
- Does not impose cost to any local agency or school district requiring reimbursement pursuant to Government Code section 17500 et seq.
- Does not have an affect on housing costs.

- Does not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.
- Does not significantly affect the creation or elimination of jobs within the State of California; the creation of new businesses or the elimination of existing businesses within the State of California; or the expansion of businesses currently doing business within the State of California.
- Does not present any cost or savings with regard to federal funding within the State of California.

COST IMPACTS ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS

The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

EFFECT ON SMALL BUSINESS

The proposed regulatory changes will not affect small business. The proposal does not require a licensee to take any actions to notify the Department when that individual opts to use his or her nickname. Where the licensee chooses to use a nickname in licensed practice, any changes to a licensee's business cards or other printed materials may be accomplished without regard to a mandated timeline, allowing for updating of such material in the natural course of business.

CONTACT PERSON

Inquiries concerning this action may be directed to Daniel Kehew at (916) 227-0425, or via email at DRERegulations@dre.ca.gov. The backup contact person is Mary Clarke at (916) 227-0780.

TITLE 10. OFFICE OF REAL ESTATE APPRAISERS

NOTICE IS HEREBY GIVEN that the Director of the Office of Real Estate Appraisers (OREA) proposes to adopt and to amend regulations in order to implement amendments to the Real Estate Appraisers' Licensing and Certification Law pursuant to Senate Bill 237 (Statutes of 2009, Chapter 173) ("SB 237"). SB 237 authorizes the Director of OREA to register appraisal management companies as defined under Section 11302(d) of the Business and Professions Code ("Code"). The Director proposes to amend California

Code of Regulations, Title 10, Chapter 6.5 of Sections 3500, 3522, 3523, 3524, 3526, 3527, 3528, 3529, 3530, 3582, 3681, 3702, 3703, 3721, 3724, 3726, 3728, 3731, and 3741, and proposes to adopt Sections 3575, 3576, and 3577.

A public hearing for the collection of comments about this proposal has not been scheduled. However, any interested person or his or her duly authorized representative may present statements, arguments or conclusions in writing. In addition, a public hearing will be held if, no later than 15 days prior to the close of the written comment period, an interested person or his or her duly authorized representative submits in writing to OREA a request that a hearing be held.

Any written comments on the proposed regulations must be received no later than 5:00 p.m. on December 13, 2010, which is hereby designated as the close of the written comment period. Please submit written comments to:

Office of Real Estate Appraisers
1102 Q Street, Suite 4100
Sacramento, CA 95811

CONTACT

Inquiries concerning the action described in this Notice may be directed to Bob Clark, Director, at (916) 440-7878 or to Kathleen Chovan, Department Counsel at (916) 341-6126.

AUTHORITY AND REFERENCE

Pursuant to the authority vested in the Director of the Office of Real Estate Appraisers by Business and Professions Code, Sections 11302, 11310, 11313, 11314, 11325, 11327, 11328, 11340, 11345, 11345.05, 11360, 11361 and 11400 and to implement, interpret or make specific Public Law 101-73, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, the Director of OREA is proposing amendments to California Code of Regulations, Title 10, Chapter 6.5.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

The U.S. Congress enacted Title XI of FIRREA in 1989, mandating all states to license real estate appraisers who appraise real property for federally related real estate transactions as defined. In response to the federal mandate, the California Legislature passed the Real Estate Appraisers' Licensing and Certification Law [Stats. 1990, c.491, (AB 527), amended by Stats. 1990,

c. 1062 (SB 910), Stats. 1991, c. 84 (SB 1028), Stats.1993, c. 331 (SB 914), Stats. 1993, c. 343 (SB 173), Stats. 1993, c.940 (AB 1723), Stats. 1993, c. 941 (AB 387), Stats. 1994, c. 837 (AB 2634), Stats. c. 439 (SB 1316), Stats. 1997, c. 790 (SB 1348), Stats. 1998, c. 366 (AB 2244), Stats. 1999, c. 974 (AB 431), Stats. 2007, c. 291 (SB 223), and Stats. 2009, c. 173 (SB 237)]. The law charges OREA with licensing real estate appraisers, enforcing ethical and professional standards and qualifications, and registering appraisal management companies in California. Regulations previously adopted by OREA to carry out these federal and state statutory requirements are being amended as follows:

1. Section 3500. Meaning of Words and General Definitions

SB 237 provides definitions for the following: Appraisal Management Company, Certificate of Registration, Controlling Person, and Registration. The relevant terms under Section 3500 mirror these statutory definitions. In addition, the Director of OREA proposes new terms: "Designated Officer" and "Registrant" to further identify and clarify the implementation process of appraisal management company registration.

2. Section 3522. License or Certificate of Registration

Section 11320.5 of the statute enacted by SB 237 provides the underlying authority for OREA to issue certificates of registration to appraisal management companies. Section 3522 is further supplemented with the requirements for information to be included with the certificates of registration. Certificates contain the name of the registrant, registration number, any restrictions, and the dates of issuance and expiration of the registration.

3. Sections 3523, 3524, 3526, 3527, 3529, 3530

These sections of the regulations define standard operating terms and procedures for licensed appraisers, and govern the term of the license, consent to service of process, changes to personal or contact information, and restrictions on the licensing for aliens. In addition, licensees are notified that licenses are considered the property of OREA and that licensee records are subject to audit by OREA. Amendments are proposed in order to make the operating terms and procedures applicable to holders of certificates of registration for appraisal management companies.

4. Section 3528. Minimum Requirements

The minimum requirements for issuance of certificates of registration for appraisal management companies is referenced in this section, with the specific requirements for certification detailed in Sections 3575 and 3576. The Emergency Regulations filed January 21, 2010 provided for the issuance of conditional certificates of registration in order for appraisal management companies to timely comply with the new registration

requirement. It was necessary to issue conditional certificates of registration during the Emergency Regulation period to enable applicants to temporarily continue operation in California while OREA conducted the regular rulemaking procedure. The implementation of permanent regulations obviates the need to issue conditional certificates of registration; therefore, Sections 3528(d) and (e) are deleted from the regular rulemaking regulations text.

5. Section 3575. Application

Current regulations do not include provisions for the application process for the registration of appraisal management companies. The Director of OREA proposes adding Section 3575 to the regulations to delineate the requirements for such application process and to specify the forms to be used by appraisal management companies for the application process.

6. Section 3576. Background requirements for Controlling Persons in Appraisal Management Companies

Appraisal management companies represent a business that involves a trust relationship with lender clients; therefore, the new statute restricts individuals with a history of specified licensing or criminal infractions from acting as Controlling Persons of a registered appraisal management company. The Director of OREA proposes adding Section 3576 to clearly delineate the background requirements that a Controlling Person of an appraisal management company must meet in order to qualify for a certificate of registration. It is also important that each appraisal management company have a primary contact person for communicating with OREA. Accordingly, this section identifies such person as the Designated Officer, who shall serve as the focal point for dialogue regarding questions or complaints involving the appraisal management company.

7. Section 3577. Minimum Standards of Practice for Appraisal Management Companies

Business and Professions Code Sections 11345.3, 11345.4, 11345.45, and 11345.6 establish the minimum standards of practice for appraisal management companies. The standards are further delineated in this section of the regulations to ensure that appraisers operate in conformance with the Uniform Standards of Professional Appraisal Practice, and that appraisal management companies understand and support the ethical obligations that licensed and certified appraisers are mandated to comply with.

8. Section 3582. Fee Schedule

SB 237 requires OREA to establish and implement a new program to register and regulate appraisal management companies as entities distinct from individual real estate appraisers. This section establishes the fees to be

paid by appraisal management companies for application and issuance of certificates of registration. New federal legislation, the Dodd–Frank Wall Street Reform and Consumer Protection Act (HR 4173), signed into law on July 21, 2010, provides for an increase in National Registry fees for appraisers and for the collection of National Registry fees for appraisal management companies; therefore, additional language is proposed in this section to clarify what these fees shall be.

9. Section 3681. Renewal Application

The Director proposes new language in Section 3681 to delineate requirements for certificate of registration renewal that are comparable to the existing requirements for appraisal license renewal. These requirements provide for a certification from the Designated Officer that the appraisal management company has complied with state statutes and regulations in the previous two–year period, set forth a continuing education requirement, and designate a new renewal application form for appraisal management companies, separate from the renewal form utilized by licensed appraisers.

10. Section 3702. Special Qualifications of Appraisers and Controlling Persons of Appraisal Management Companies

Appraisal management companies and their associated Controlling Persons have a responsibility to their clients and the public to generate and maintain a culture based on ethical and competent standard business practices, which must be comparable to those required of appraisers under the Uniform Standards of Professional Appraisal Practice. The Director proposes new language in Section 3702 to extend the essential standards of honesty, candor, integrity and trustworthiness to each Controlling Person, vested with the responsibility to promote and maintain these standards to the operation of the registered appraisal management company as a whole.

11. Sections 3703, 3721, 3724, 3726, 3728, 3731, and 3741

These sections of the existing regulations, which define the disciplinary process and sanctions for illegal actions by licensed appraisers, do not apply to appraisal management companies. The Director proposes to amend these sections to include holders of certificates of registration as subject to existing disciplinary procedures and sanctions.

FISCAL IMPACT

- **Cost or Savings to Any State Agency:** Additional costs of \$30,000 to OREA in Fiscal Year 2010–11, which will be absorbed within existing budget. Estimated ongoing annual costs of \$120,000 to be funded by registration fees.

- Direct or indirect costs or savings in federal funding to the state: None
- Other nondiscretionary cost or savings imposed on local agencies: None
- Costs to any local agencies or school districts, or a mandate which requires reimbursement pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code: None

DETERMINATIONS

The Office of Real Estate Appraisers has made an initial determination that the adoption/amendment/ repeal of this regulation:

- Does not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with business in other states.
- Does not impose a mandate on local agencies or school districts, or a mandate which requires reimbursement pursuant to Part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- Does not have an effect on housing costs.
- Does not significantly affect: (1) the creation or elimination of jobs within the State of California; (2) the creation of new businesses, the expansion of business or the elimination of existing businesses currently doing business within the State of California.

COST IMPACT ON REPRESENTATIVE PRIVATE PERSON OR BUSINESS

A representative private person or business that is defined as an appraisal management company that is in reasonable compliance with the proposed action could incur initial application costs of \$230 to \$900, depending on its number of Controlling Persons, and ongoing registration costs of \$800 per year.

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Office of Real Estate Appraisers has prepared and has available for public review an Initial Statement of Reasons for the proposed changes in these regulations, the information upon which the proposed changes are based and the text of the proposed regulations, as changed. A copy of the Initial Statement of Reasons and a copy of the proposed regulation text are available upon request by writing to OREA at the address noted above, which will also be the location of

public records, including reports, documentation and other materials related to the proposed regulations. The information may also be accessed on OREA's website at www.orea.ca.gov.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the contact person(s) named in this notice or may be accessed on OREA's website at www.orea.ca.gov.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

The full text of any regulation, which is changed or modified from the express terms of the proposed action, will be made available by OREA at least 15 days prior to the date on which OREA adopts, amends or repeals the resulting regulations.

EFFECT ON SMALL BUSINESS

The Office of Real Estate Appraisers has determined that the adoption of these regulations will have a positive effect on independent fee appraisal small businesses by requiring appraisal management companies, as defined, to adhere to required business and registration standards.

CONSIDERATION OF ALTERNATIVES

The Office of Real Estate Appraisers must determine that no reasonable alternative considered or that has otherwise been identified and brought to the attention of OREA would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

TITLE 13. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER PROPOSED AMENDMENTS TO THE REGULATIONS FOR IN-USE OFF-ROAD DIESEL-FUELED FLEETS AND OFF-ROAD LARGE SPARK IGNITION ENGINE FLEET REQUIREMENTS

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider adoption of amendments to its regulations

for In-Use Off-Road Diesel-Fueled Fleets (off-road regulation), California Code of Regulations (CCR), title 13, sections 2449 through 2449.3, and for Large Spark Ignition Engine Fleet Requirements (LSI fleet regulation), CCR, title 13, sections 2775 through 2775.2. This notice summarizes the specific amendments being proposed. The Staff Report: Initial Statement of Reasons (ISOR) presents the proposed amendments for both regulations and information supporting the adoption of the amendments in greater detail.

DATE: December 16, 2010

TIME: 9:00 a.m.

PLACE: California Environmental Protection
Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., December 16, 2010, and may continue at 8:30 a.m., on December 17, 2010. This item may not be considered until December 17, 2010. Please consult the agenda for the hearing, which will be available at least 10 days before December 16, 2010, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Off-Road Regulation

Sections Affected: Proposed amendments to California Code of Regulations, title 13, sections 2449, 2449.1, 2449.2, and 2449.3, the regulation for In-Use Off-Road Diesel Vehicles.

Regulation Background

The off-road regulation was originally approved by the Board on July 26, 2007, and became effective on June 15, 2008. Additional amendments were approved by the Board on December 11, 2008, and January 26, 2009, and became effective on January 8, 2010, and January 1, 2010, respectively. On February 20, 2009, the Governor signed Assembly Bill 8 2X (AB 8 2X) in which the Legislature added section 43018.2 to the Health and Safety Code, directing ARB to amend the off-road regulation. The Board approved the AB 8 2X amendments and additional minor amendments to the off-road regulation on July 23, 2009. The AB 8 2X became effective on December 3, 2009 (the AB 8 2X amendments were exempt from the Administrative Procedure Act and OAL review); the additional amendments approved by the Board in July 2009, became effective on August 15, 2010.

The off-road regulation is intended to significantly reduce emissions of diesel particulate matter (PM) and oxides of nitrogen (NOx) from over 150,000 in-use off-road diesel vehicles that operate in California and consequently significantly reduce the public's exposure to these pollutants and their byproducts. The off-road regulation is structured to achieve these environmental benefits by requiring fleet owners of in-use off-road diesel vehicles to modernize their fleets by accelerating the use of cleaner engines and exhaust retrofits in their vehicles. The off-road regulation was designed to support the Diesel Risk Reduction Plan to Reduce Particulate Matter Emissions from Diesel-Fueled Engines and Vehicles, which was adopted by the Board on September 30, 2000, as well as the 2007 State Implementation Plans (SIP) for the South Coast and San Joaquin Valley air basins.

The scope of the off-road regulation is far reaching, affecting dozens of vehicle types used in thousands of fleets, in industries as diverse as construction, air travel, manufacturing, landscaping, and ski resorts, as well as public agencies. The off-road regulation affects, among others, the warehouse with one diesel forklift, the landscaper with a fleet of a dozen diesel mowers, the county that maintains rural roads, the landfill with a fleet of dozers, as well as the large construction firm or government fleet with hundreds of diesel loaders, graders, scrapers, and rollers. To punctuate the scope of the off-road regulation, as of September 20, 2010, 8,815 fleets have reported over 150,000 vehicles to the Diesel One-stop Online Reporting System (DOORS), the reporting system for the off-road regulation.

The off-road regulation's requirements vary depending on the size of the fleet and on the age of its vehicles. Fleets are defined in the off-road regulation as small, medium, or large based on their total statewide horsepower (hp). The off-road regulation requires that the largest fleets, which have the most significant emissions, meet the most stringent requirements. The smallest fleets and local municipal fleets located in low-population counties are required to meet less stringent provisions.

In general, the off-road regulation requires owners to modernize their fleets by replacing engines with newer, cleaner ones (repowering), replacing vehicles with newer vehicles equipped with cleaner engines, retiring older vehicles, operating higher emitting vehicles less often (designating them as low-use vehicles), or by applying exhaust retrofits that capture and destroy pollutants before they are emitted into the atmosphere.

To meet the PM and NOx emission reduction requirements, fleets have the option of meeting fleet average emissions targets, or meeting the Best Available Control Technology (BACT) requirements. The PM BACT requirements consist of installing retrofits that have

been approved by ARB as verified diesel emission control strategies (VDECS) on 20 percent of their maximum horsepower in each year of compliance. To meet the NOx BACT requirements, large and medium fleets must turnover eight percent of their maximum horsepower in each year of compliance until 2015, after which there is a 10 percent turnover requirement. Small fleets are not required to meet the NOx emission reduction requirements.

In April 2010, the Board directed staff to consider the impact of the recession and emission inventory changes from both on-road and off-road diesel vehicles operating in the state. The Board also directed staff to provide regulatory relief to fleets affected by the Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants from In-Use On-Road Diesel-Fueled Vehicles (on-road regulation) at title 13, CCR, section 2025 and/or the off-road regulation such that any appropriate economic relief could be targeted most cost effectively between the two regulations, and staff could ensure the combined emissions benefits achieved by the two regulations would continue to meet state implementation plan (SIP) requirements for the combined SIP categories.

On April 22, 2010, staff presented a preliminary update to the Board on the emissions inventory used to develop the off-road regulation, as well as a summary of the impact of the recession on emissions from off-road vehicles. Based on this new information, the Board asked staff to draft changes to the regulation that will mitigate the potential effects of an unfavorable economy on affected businesses, while recognizing the need to protect public health, meet federal clean air deadlines, and continue moving forward even through uncertain times.

In summer and fall of 2010, staff also worked with representatives from the Associated General Contractors of America (AGC), and came to an agreement with AGC in October 2010 to include a number of provisions in staff's proposal, including delaying initial compliance dates to no earlier than 2014 and raising the low-use threshold.

Finally, in December 2008, by Resolution 08-43, the Board approved amendments to bring two-engine cranes under the off-road regulation. In January 2010, by Resolution 10-2, the Board approved amendments to include two-engine water well drilling rigs within the scope of the off-road regulation.

Description of Proposed Regulatory Action

The first section below describes the more major modifications to the off-road regulation. The next section describes additional minor modifications and clarifications proposed by staff to clarify or simplify regulatory provisions.

fications proposed by staff to clarify or simplify regulatory provisions.

Major Amendments

Staff's proposed major amendments to the off-road regulation are described in more detail in the sections below.

1. Delay Initial Compliance Dates

Staff is proposing to modify section 2449.1(a) to delay the initial compliance date of the off-road regulation for all fleets as described below:

- Large fleets: from March 1, 2010, to January 1, 2014,
- Medium fleets: from March 1, 2013, to January 1, 2017, and
- Small fleets: from March 1, 2015, to January 1, 2019.

Throughout the regulation, staff is proposing to modify dates to reflect the fact that compliance dates would be on January 1 rather than March 1 of each year.

2. New Combined PM and NOx Fleet Average Requirements

Staff is proposing to combine the PM and NOx fleet average targets in sections 2449.1 and 2449.2. The fleet average targets would be based on the fleet's NOx fleet average. However, the combined fleet average targets would be adjusted and shifted so as to require the appropriate amount of actions to reduce emissions (i.e., such that fleets that meet the NOx targets in the current regulation, but exceed the PM targets, would still be required to take some actions to reduce emissions). Considering the proposed new singular fleet average, section 2449.2 would be deleted completely. By combining the PM and NOx requirements, the regulation would become significantly less complicated as fleets will only have to meet a single annual fleet average. The targets in section 2449.3 for the Surplus Off-road Option for NOx (SOON) program would also be revised to be more consistent with the amended fleet targets.

In addition, staff is proposing to change the final compliance date for large and medium fleets to January 1, 2024 (from March 1, 2020), and for small fleets to January 1, 2029 (from March 1, 2025). Since staff is proposing to remove the PM requirements of the regulation, there will be no final PM compliance requirements.

Staff is also proposing to modify section 2449.1(a)(1)(A)1. to increase the stringency of the final fleet average targets. This will result in fleets having to turn over additional older, dirtier vehicles such that a greater proportion of their vehicles are equipped with Tier 4i and Tier 4 engines. By lowering the final fleet average targets, additional emission reductions will be realized.

3. *Modify the Best Available Control Technology (BACT) Requirements*

Staff is proposing to combine the PM and NOx BACT requirements in sections 2449.1 and 2449.2. The combined BACT requirements would require annual actions on no more than 4.8 to 10 percent of a fleet's horsepower (depending on year) in each year the fleet did not meet the fleet average target.

All fleets would have the following compliance options for meeting the proposed combined BACT requirements:

- Replace older vehicles with new or cleaner, used vehicles;
- Replace diesel vehicles with electric or alternative fuel vehicles;
- Repower older engines with Tier 2 or higher engines;
- Retire vehicles from fleet;
- Designate vehicles as permanent low-use; or
- Install verified diesel emission control strategies (VDECS).

Staff's proposal would reduce the overall annual requirements as well as allow fleets the option to choose installing exhaust retrofits, turning over their oldest vehicles to newer, cleaner vehicles, or some combination thereof.

4. *Credit Provisions*

Staff's proposal is intended to allow fleets to maintain credits for actual efforts already made to reduce emissions and to further incentivize early actions by fleets, as described below.

In addition, the Board may consider additional amendments to provide fleets flexibility to take credit for actions to reduce emissions between the off-road regulation and the on-road regulation.

Extend Double Retrofit Credit Period

Staff is proposing to amend section 2449.2(a)(2)(A)2. (now moved to 2449.1(a)(2)(A)2.a.ii.) to extend the period during which a fleet may receive double credit for the installation of a VDECS until 12 months prior to the initial compliance deadline for that fleet. The impact of this proposal would be to incentivize continued progress toward cleaner air and support clean technology. It would encourage critical near term reductions of diesel PM and also helps ensure the investment that businesses and the State have made in retrofit technology is not lost due to the delay in the start of the fleet requirements.

In addition, the Board may consider additional amendments to further incentivize retrofitting prior to fleets' initial compliance deadlines.

Changes to Other Credit Provisions

Staff's proposal is intended to allow fleets to maintain credits for actual efforts already made to reduce emissions; however, credits would be adjusted to reflect the delay of compliance start dates. Staff is proposing to amend section 2449.1(a)(2)(A)2.a.v. to reduce each fleet's early retirement credits by 50 percent and provide that fleets may not use early retirement credits granted per section 2449.1(a)(2)(A)2.a.v. to satisfy all or part of their BACT requirements for the March 1, 2014, compliance date. Also, because reduced activity credits were scheduled to expire on March 1, 2011, if not used, per AB 8 2X, and because the proposed amendments would delay the initial requirements for fleets until January 1, 2014, staff is proposing to remove the regulatory language implementing reduced activity credits.

5. *Increase Low-Use Threshold*

Staff is proposing to explicitly identify and define the two types of low-use vehicles within the regulation as either year-by-year low use or permanent low use, and to increase the low-use threshold in section 2449.1(a)(2)(A)6 for both permanent low-use vehicles and year-to-year vehicles from 100 hours annually to 200 hours annually. Increasing the low-use threshold would provide additional relief, by exempting additional vehicles and increasing the cost effectiveness of the regulation by focusing turnover and retrofit requirements on vehicles that operate greater hours.

6. *New Provisions for Fleets Under 500 Horsepower*

Staff is proposing a new provision (section 2449(e)(17)) to allow fleets with under 500 horsepower to choose to comply with the BACT requirements of the regulation solely by phasing out their Tier 0 and Tier 1 vehicles over a prescribed schedule between 2019 and 2029. Compliance for these fleets using this phase-out schedule would be optional, as these fleets could instead opt to meet the fleet average requirements or the BACT requirements. This provision would provide a very streamlined and relaxed compliance path for the owners of the smallest fleets.

7. *Additional Minor Amendments*

Staff is proposing a number of minor amendments to clarify the off-road regulation, simplify compliance, and provide consistency with the major amendments discussed above. These proposed changes include, but are not limited to:

Captive Attainment Area Fleet Definition — modify the definition to designate these fleets as small fleets, regardless of their total horsepower.

Modify post-2007 flexibility engine definition — simplify the reporting requirements for Post-2007 flexibility engines.

Alternative Fuel and Hybrid Provisions — remove electric vehicle horsepower from the fleet's total horsepower calculation, which will also remove this horsepower from all BACT calculations, and incentivize the use of hybrid off-road vehicles by allowing fleets to use a lower emission factor(s) for hybrid equipment used in a fleet.

Remove Hours in Fleet Average Provision — delete this provision since no fleets have taken advantage of it or plan to.

New Fleet Requirements — clarify that upon purchasing vehicles or bringing vehicles into the state for the first time, a fleet must meet the following requirements:

- Large or Medium fleets: Require a large or medium fleet to meet the fleet average target for the closest future large fleet compliance date upon initial formation or upon entrance into the state after the effective date of the proposed amendments.
- Small fleet: Require a small fleet to meet the fleet average target for the closest future small fleet compliance date upon initial formation or upon entrance into the state after the effective date of the proposed amendments.

For any size fleet, the fleet would be required to meet either the fleet average target or comply with the BACT requirements by the next applicable compliance date.

Adding Vehicle Requirements — amend the adding vehicle requirements:

- Beginning January 1, 2012, large and medium fleets would be allowed to add only vehicles with only Tier 2 or higher engines; beginning January 1, 2016, the restrictions would apply to small fleets; and
- Beginning January 1, 2018, large and medium fleets would be allowed to add only vehicles with Tier 3 or higher engines; beginning January 1, 2021, the restrictions would apply to small fleets.

These revised requirements would apply to all fleets (regardless of compliance path) and to all horsepower categories, providing additional clarity and simplification to the regulation.

Compliance after the Final Target Date — clarify that the turnover and retrofit exemptions do not expire after the final compliance date.

Reporting Dates — change the reporting dates to make them more consistent with the changes and delays to the compliance dates.

Labeling — require equipment identification numbers (EIN) on both sides of a vehicle, instead of just on the right (starboard) side. Additionally, staff is proposing to require captive attainment area fleets to label their vehicles with EINs that are green with white letters

(instead of red with white letters) if they choose to take advantage of the captive attainment area fleet provision.

Order of Turnover — simplify the order of turnover provisions by only requiring fleets to turn over all Tier 0 and Tier 1 vehicles before they can count other higher tiered vehicles in meeting the fleet's BACT requirements.

15 Percent Turnover Exemption — clarify that if a fleet has more than 15 percent of its vehicles retrofitted before March 1, 2011, the fleet may choose any of those vehicles to be counted under this exemption and be exempt from turnover, as long as the 15 percent cap is not exceeded and the exempted vehicle(s) continue to be equipped with the installed VDECS.

In addition to the above, the Board may consider amending the off-road regulation to cover other two engine vehicles, as appropriate, for reasons similar to its past decisions to include two-engine cranes and well drilling rigs within the regulation's scope.

LSI Fleet Regulation

Sections Affected: Proposed amendments to CCR, title 13, sections 2775(c), 2775.1(d)(1)(D), 2775.2(b), and 2775.2(e)(1)(A), the Large Spark-Ignition (LSI) Engine Fleet Requirements regulation.

Regulation Background

At its October 22, 1998, public meeting, ARB approved the Off-Road LSI Engine Regulation (LSI Regulation) with the adoption of California Code of Regulations, title 13, sections 2775 through 2775.2. The LSI Regulation established new engine emission standards and test procedures for manufacturers of off-road spark-ignited engines of 25 horsepower or greater (greater than 19 kilowatts).

On May 12, 2006, the ARB approved a second LSI rulemaking. The rulemaking included modifications to the existing emission standards and test procedures to make them more stringent. The rulemaking also included fleet requirements for operators of in-use LSI fleets (the LSI fleet regulation) and verification procedures for manufacturers of LSI retrofit emission control systems (retrofit kits).

The intent of the LSI new engine emission standards and fleet requirements was to reduce hydrocarbon and oxides of nitrogen (HC+NOx) emissions from the nearly 90,000 pieces of LSI equipment sold into and operating in the state by accelerating the introduction of new zero- and near zero-emissions equipment and the retrofit or retirement of uncontrolled in-use equipment, respectively.

Applicability

The new engine emission standards and test procedures apply to LSI engines used in airport ground support equipment (GSE), forklifts, generator sets, mining

equipment not otherwise primarily used in the construction industry, off-highway recreational vehicles, refrigeration units less than 50 horsepower, industrial (non-road) sweeper/scrubbers, industrial tow tractors (tugs), turf care equipment, and other industrial equipment.

The LSI fleet regulation affects any operator of four or more forklifts, sweepers/scrubbers, tugs, and GSE, the four largest categories of LSI engine equipment. These vehicles are found in thousands of fleets in California, in industries as diverse as manufacturing, wholesale, transportation and utilities, retail, services, and construction, as well as public agencies.

Regulatory Requirements

The 1998 rulemaking required LSI engine manufacturers to certify 25 percent of their new engines to a 3.0 gram per brake horsepower-hour (g/bhp-hr) combined HC+NO_x standard beginning with the 2001 engine model year. The percentage increased by 25 percent each subsequent model year so that 100 percent of the engines were emission-controlled by the 2004 model year. To achieve this standard, manufacturers relied upon the same emission control technologies used in automotive engines — three way catalytic converters, electronic fuel/air controllers, and oxygen sensors. The 3.0g /bhp-hr standard represented a 75 percent reduction in emissions versus LSI engines with no emission controls.

The 2006 rulemaking required manufacturers to certify their new LSI engines to a 2.0 g/bhp-hr HC+NO_x standard effective January 1, 2007 and a 0.6 g/bhp-hr standard effective January 1, 2010. The latter standard represents a 95 percent emission reduction versus uncontrolled LSI engines.

The 2006 rulemaking also required operators of in-use fleets to achieve specific HC+NO_x fleet average emission level standards that are more stringent with fleet size and time. The standards are also more stringent for forklifts than they are for non-forklift LSI equipment. The stringency of the standards reflects the availability of retrofit devices for LSI equipment as well as the greater ability of large fleets to incorporate zero- and near zero-emission new and used equipment into their operations.

Description of Proposed Regulatory Action

Staff is proposing several minor changes and clarifications to the LSI fleet regulation. The minor changes include: (1) extending the limited hours of use provisions, (2) broadening compliance extension flexibility, (3) adding definitions, and (4) clarifying definitions and modifying record keeping requirements.

Proposed Amendments

1. Limited Hours of Use Provision

Staff proposes to amend section 2775.1(d)(1)(D) to extend the limited hours of use (LHU) exclusion for LSI

equipment operated fewer than 251 hours per year. Currently, LHU equipment may be excluded from fleet average emission level standard calculations, but only until January 1, 2011. After that date, LHU equipment that has been retrofitted to a 3.0 g/bhp-hr standard may continue to be excluded from fleet average emission level standard calculations. If not retrofitted, the LHU piece of equipment may have to be retired or replaced, resulting in a significant economic impact on some operators. Staff proposes to extend the LHU provisions for equipment operated no more than 200 hours per year and intends to clarify that operators desiring to exclude equipment under the LHU provisions must use non-resettable hour meters.

2. Compliance Extension Provision

Staff proposes to amend section 2775.2(e)(1)(A) to extend the length of compliance extensions. Currently, an LSI equipment operator may request a one-year compliance extension in cases where retrofit emission control devices (retrofit kits) are not available for a given engine/equipment combination. After that time, if no retrofit kit has become available, the operator is expected to retire or replace their piece of equipment to come into compliance with their fleet average emission level standards. However, replacement is not an economically feasible option for specialized LSI equipment with either very large engine displacements or an Underwriters Laboratories (UL) issued LPS/GS (propane/gas) safety designation. Staff proposes to allow a two-year compliance extension with a provision for an additional two years in the event of non-availability of retrofit kits. After the extension(s) expire(s), the operator may no longer exclude the LSI equipment from the fleet average emission level standard and may have to retire or replace it to achieve the standard. Staff also proposes to clarify an incomplete reference in section 2775.2(e)(1)(A) to “subsections 2775.1(a), (c), and (d).

3. Modified Definitions

Agricultural Operations — The “Agricultural Operations” definition would also clarify that forestry and nursery operations are considered agricultural operations. The “Fleet Average Emission Level” definition would also clarify two items for fleet average emission level standards calculations: (1) the default emission rate for uncontrolled LSI equipment is 12.0 grams HC+NO_x per brake horsepower-hour, and (2) electric equipment of less than 19 kilowatts power may be included in calculations as long as it performs, with similar efficiency, the same function as an LSI engine-powered piece of equipment subject to the standards.

Airport Ground Support Equipment or GSE — “GSE” currently means any LSI engine or electric-powered equipment contained in the 24 categories of equipment included in section B.3 of Appendix 2 of the

South Coast Ground Support Equipment Memorandum of Understanding, dated November 27, 2002. Two of these categories are “carts” and “other,” which, for the purposes of electric-powered equipment, can be interpreted very broadly. Under the proposal, staff would eliminate the “other” category and limit the “cart” category so that it only allows electric carts into fleet average emission level standards calculations if they perform the work equivalent of an LSI engine-powered cart. These proposed modifications bring the definition in line with the original intent of the LSI fleet regulation.

Baseline Inventory — The “Baseline Inventory” definition currently states that this inventory should reflect all equipment owned at the time of the inventory. The intent of the regulation was that the baseline inventory should reflect all operated equipment subject to the fleet average emission level requirements. Staff proposes to clarify that the baseline inventory requirement applies to all operated LSI equipment by replacing the word “owned” with the word “operated.”

Operator — The “Operator” definition currently states that “operator” includes a person whose usual and customary business is the rental or leasing of LSI engine equipment for any equipment not solely possessed or used for rental or leasing. The intent of the regulation was to allow rental equipment companies and equipment dealers some de minimis level of use of their rental and used equipment fleet vehicles without triggering the fleet average emission level standards requirements. Staff proposes to modify the “operator” definition to stipulate a de minimis usage level that reflects this intent.

4. *Record-keeping Requirements*

Staff proposes to modify the record-keeping requirements in section 2775.2(b) of the existing regulation. This section requires operators to record identifying and emissions information for each piece of LSI equipment in their fleet. It also requires them to obtain product delivery tickets or a like surrogate, if obtainable, stipulating that the fuel they are using meets motor vehicle grade propane specifications. The ARB added this second requirement in an attempt to force operators to put pressure on their fuel suppliers to provide uncontaminated and low-olefin (propene) content motor vehicle grade fuel. However, operators have been unable to obtain this documentation from their fuel suppliers. Staff proposes to remove the fuel quality record-keeping requirement. Staff also proposes to clarify the ARB’s intent that the record-keeping requirement apply to each piece of LSI equipment and that serial numbers be recorded for both engines and equipment.

COMPARABLE FEDERAL REGULATIONS

Off-Road Regulation

The United States Environmental Protection Agency (U.S. EPA) has promulgated federal emission standards for new non-road engines. However, no federal standards have been promulgated addressing emission reductions from in-use diesel vehicle engines.

Under section 209(e)(2), California may adopt and enforce emission standards and other requirements for off-road engines and equipment not expressly subject to federal preemption, so long as California applies for and receives authorization from the Administrator of U.S. EPA. California submitted its initial request for authorization on August 12, 2008, and filed a supplemental request on February 11, 2010. EPA conducted hearings on the requests on October 27, 2008, and April 14, 2010. The requests for authorization are presently pending.

LSI Fleet Regulation

In 2002, the U.S. EPA followed California’s lead and adopted emission standards for new LSI engines (Volume 67, Federal Register, page 68242, November 8, 2002; title 40, Code of Federal Regulations, part 1048). As the preamble to the federal regulations notes, the federal regulations extend California’s 1998 standards for new LSI engines to the rest of the United States in 2004 through 2006 and adopt more stringent standards for new LSI engines beginning in 2007.

In 2006, the ARB harmonized with the federal standards for new 2007 through 2009 model year LSI engines, but went a step further adopting more stringent California new engine standards that became effective January 1, 2010. The ARB also adopted fleet average emission level standards for operators of LSI engine-powered equipment. The federal regulations do not impose the more stringent 2010 new engine standards. They additionally do not impose requirements on fleet operators or on in-use engines.

Under section 209(e)(2), California may adopt and enforce emission standards and other requirements for off-road engines and equipment not expressly subject to federal preemption, so long as California applies for and receives authorization from the Administrator of U.S. EPA. California’s request for authorization was submitted on December 10, 2008; the request for authorization is presently pending.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory actions, which includes a summary of the economic and environmental impacts of the proposal. The report is en-

titled: "Proposed Amendments to the Regulations for In-Use Off-Road Diesel Fueled Fleets and Off-Road Large Spark-Ignition Fleet Requirements."

Copies of the ISOR and the full text of the proposed regulatory language for both the off-road regulation and the LSI fleet regulation, in underline and strikeout format to allow for comparison with the existing regulations, may be accessed on ARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990, at least 45 days prior to the scheduled hearing on December 16, 2010.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's website listed below.

Inquiries concerning the substance of the proposed off-road regulation amendments may be directed to the designated agency contact persons, Ms. Kim Heroy-Rogalski, Manager of the Off-Road Implementation Section, at (916) 327-2200, or Ms. Elizabeth Yura, Off-Road Implementation Staff, at (916) 323-2397.

Inquiries concerning the substance of the proposed LSI fleet regulation amendments may be directed to the designated agency contact persons, Ms. Elise Keddle, Manager of the ZEV Implementation Section, at (916) 323-8974, or Mr. Mark Williams, ZEV Implementation Staff, at (916) 327-5610.

Further, the agency representative and designated back-up contact persons, to whom nonsubstantive inquiries concerning the proposed administrative action may be directed, are Ms. Lori Andreoni, Manager, Board Administration and Regulatory Coordination Unit, (916) 322-4011, or Ms. Trini Balcazar, Regulations Coordinator, (916) 445-9564. The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at <http://www.arb.ca.gov/regact/2010/offroadlsi10/offroadlsi10.htm>.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulations are presented below.

Pursuant to Government Code sections 11346.5(a)(5), the Executive Officer has determined that the proposed regulatory actions would not create any costs to or mandates on any local agency or school district that is reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500).

Pursuant to Government Code sections 11346.5(a)(6), the Executive Officer has determined, based on estimates prepared in accordance with instruction adopted by the Department of Finance, that the amendments to the off-road regulation or the LSI fleet regulation would not create additional costs to any State agency or to any local agency or school district, whether or not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), create other nondiscretionary costs on local agencies, and affect costs or savings in federal funding to the State.

The proposed amendments to both regulations will provide significant relief from compliance requirements, and are expected to decrease the compliance costs for both public and private fleets alike; it is not expected that any of the proposed amendments will increase compliance costs for fleets.

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. ARB is not aware of any cost impacts, other than the aforementioned savings, that a representative private person or business would necessarily incur in reasonable compliance with the proposed action. Additionally, as stated above, the proposed amendments to both regulations are expected to decrease compliance costs for fleets, which will result in a cost savings for fleets.

Pursuant to Government Code section 11346.5(a)(8), the Executive Officer has made an initial determination that the proposed regulatory actions would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons. In accordance with Government Code sections 11346.5(a)(10) and 11346.3(b), the Executive Officer has further determined that the proposed regulatory actions will overall decrease the elimination of jobs within the State of California, and decrease the elimination of existing businesses within the State of California. The amendments to both regulations are expected to provide significant relief to affected fleets and, therefore, will not have an adverse affect on California businesses.

Although these proposed amendments are not expected to adversely impact the economy overall, these modifications could have a negative economic impact on retrofit manufacturers and installers, and firms that

provide repowers or new or used vehicles because they would receive fewer orders in the next few years. However, the off-road regulation will still provide incentives that are intended to encourage early retrofitting, repowering, and replacement, and the LSI fleet regulation does not preclude a fleet from voluntarily cleaning up their fleet, which could help mitigate potential impacts on retrofit and repower jobs and businesses.

A detailed assessment of the economic impacts of the proposed regulatory actions and their effect on California businesses can be found in the ISOR.

In accordance with Government Code section 11346.3, except as stated above with respect to retrofit manufacturers and installers, and firms that provide repowers or new or used vehicles, by providing significant relief to affected fleets, the Executive Officer has determined that the proposed regulatory actions would overall positively affect the number of jobs created or, at least, decrease the number of jobs eliminated within the State of California; positively affect the number of new businesses created or, at least, decrease the number of existing businesses eliminated within the State of California, and positively affect the expansion of businesses currently doing business within the State of California. A detailed assessment of the economic impacts of the proposed regulatory actions can be found in the ISOR.

The Executive Officer has also determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed off-road regulatory action would affect small businesses. It is expected that the proposed amendments to the off-road regulation will result in an overall cost savings to small businesses. However, as stated above, the amendments could have a negative economic impact on small businesses associated with retrofit manufacturing and installation because they would receive fewer orders in the next few years. The proposed LSI fleet regulatory action would not affect small businesses as they are already exempt from the requirements of the LSI fleet regulation.

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the regulations which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Before taking final action on the proposed regulatory actions, the Board must determine that no reasonable alternatives considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the actions are proposed, or would be as effective and less burdensome to affected private persons than the proposed actions.

SUBMITTAL OF COMMENTS

Interested members of the public may also present comments orally or in writing at the meeting, and comments may be submitted by postal mail or by electronic submittal before the meeting. The public comment period for this regulatory action will begin on November 1, 2010. To be considered by the Board, written comments not physically submitted at the meeting must be submitted on or after November 1, 2010 and received **no later than 12:00 noon on December 15, 2010**, and must be addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California
95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that the webpage provided above for electronic submittal is for comments on the following on-road and off-road regulations:

- Truck and Bus
- Drayage Truck
- Tractor-Trailer GHG
- Off-Road
- Large Spark Ignition

To ensure that all comments are properly considered and responded to, please identify in the subject heading of each comment letter the regulation(s) for which comments are being submitted.

Please note that under the California Public Records Act (Gov. Code, § 6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and any other search engines.

The Board requests, but does not require, that 20 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board members have time to fully consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

Off-Road Regulation

This regulatory action is proposed under that authority granted in Health and Safety Code sections 39002,

39003, 39500, 39600, 39601, 39602, 39602.5, 39650, 39656, 39658, 39659, 39665, 39667, 41511, 43000, 43000.5, 43013, 43018, and 43018.2. This action is proposed to implement, interpret and make specific 39002, 39003, 39500, 39600, 39601, 39602, 39602.5, 39650, 39656, 39658, 39659, 39665, 39667, 41511, 43000, 43000.5, 43013, 43018, and 43018.2.

LSI Fleet Regulation

This regulatory action is proposed under that authority granted in Health and Safety Code, sections 39002, 39003, 39500, 39600, 39601, 43000, 43011, 43013, 43017, 43018, 43600, and 43700. This action is proposed to implement, interpret, and make specific sections 43000, 43013, 43017, 43018, 43101, 43102, 43104, 43105, 43106, 43150, 43151, 43152, 43153, 43154, 43204, 43205, 43205.5, 43210, 43210.5, 43211, and 43212.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, Government Code, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340).

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non-substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice and that the regulatory language as modified could result from the proposed regulatory action; in such event, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15-days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Special accommodation or language needs can be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format (i.e., Braille, large print, etc.) or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as

soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Comodidad especial o necesidad de otro idioma puede ser proveído para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia.
- Documentos disponibles en un formato alternativo (por decir, sistema Braille, o en impresión grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLES 13 AND 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER THE ADOPTION OF PROPOSED AMENDMENTS TO THE REGULATION TO REDUCE EMISSIONS OF DIESEL PARTICULATE MATTER, OXIDES OF NITROGEN AND OTHER CRITERIA POLLUTANTS FROM IN-USE ON-ROAD DIESEL-FUELED VEHICLES, THE HEAVY-DUTY VEHICLE GREENHOUSE GAS EMISSION REDUCTION MEASURE, AND THE REGULATION TO CONTROL EMISSIONS FROM IN-USE ON-ROAD DIESEL-FUELED HEAVY-DUTY DRAYAGE TRUCKS AT PORTS AND INTERMODAL RAIL YARD FACILITIES

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider the adoption of amendments to the "Regulation to Reduce Emissions of Diesel Particulate Matter, Oxides of Nitrogen and Other Criteria Pollutants from In-Use Heavy-Duty Diesel-Fueled Vehicles (Truck and Bus regulation), title 13, California Code of Regulations (Cal. Code Regs.), section 2025; the Heavy-Duty Vehicle Greenhouse Gas (GHG) Emission Reduction Measure (Tractor-Trailer GHG regulation), title 17, Cal. Code Regs., sections 95301 to 95307, 95309, and 95311; and the regulation for In-Use On-Road Heavy-Duty Diesel-Fueled Drayage Trucks at Ports and Intermodal Rail Yard Facilities (Drayage Truck regulation), title 13, Cal. Code Regs., section 2027.

This notice summarizes the specific amendments being proposed. The staff report (Initial Statement of Reasons) presents the proposed amendments and information supporting the amendments of the regulations in greater detail.

DATE: December 16, 2010

TIME: 9:00 a.m.

PLACE: California Environmental Protection
Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., December 16, 2010, and may continue at 8:30 a.m., December 17, 2010. This item may not be considered until December 17, 2010. Please consult the agenda for the hearing, which will be available at least ten days before December 16, 2010, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

A. Sections Affected

Proposed amendments to California Code of Regulations, title 13, section 2025, Truck and Bus regulation; California Code of Regulations, title 17, sections 95301, 95302, 95303, 95304, 95305, 95306, 95307, 95309, and 95311 Tractor-Trailer GHG regulation; and California Code of Regulations, title 13, section 2027, Drayage Truck regulation.

B. Background:

1. Introduction

The amendments to the Truck and Bus regulation are being proposed to provide heavy-duty truck and bus fleets with additional flexibility in response to a recent analysis that shows that vehicle activity and emissions are below the levels estimated when the Truck and Bus regulation was initially adopted. Amendments to the Truck and Bus regulation are further being proposed to align the regulation with amendments being proposed to the Drayage Truck regulation that address concerns about localized exposure in communities near ports and intermodal rail yards. Staff is also proposing to amend the existing Tractor-Trailer GHG regulation to provide affected fleets with additional flexibility in meeting the requirements, to ease their burden of compliance, and in some cases to reduce compliance costs, with minimal impact on the GHG benefits as initially approved.

2. Truck and Bus Regulation

On December 11, 2008, the Board approved the Truck and Bus regulation to reduce emissions of diesel particulate matter (diesel PM), oxides of nitrogen (NOx), and other criteria pollutants from nearly one million in-use diesel trucks and buses that operate in California. The reductions were adopted to meet State and federal air quality standards. The regulation, as adopted, supported the Risk Reduction Plan to Reduce Particulate Matter Emissions from Diesel-Fueled Engines and Vehicles, which the Board adopted on September 30, 2000. The regulation, when implemented, would require the installation of exhaust retrofits to reduce emissions from existing engines, and accelerate the introduction of cleaner engines into fleets that operate in California.

The Truck and Bus regulation was approved by Resolution 08-43, which among other things directed staff to monitor the economy and report to the Board in December 2009 on the impact of the recession on emissions and affected fleets. At the December 2009 Board Hearing, staff presented the results of an analysis that showed that vehicle activity and emissions were below the levels estimated when the regulation was developed and that 2014 emission goals could now be met with fewer emission reductions from heavy-duty vehicles. The Board then determined that additional flexibility could be provided for fleets adversely affected by the economy and directed staff to propose amendments to the regulation that take into account the impacts of the economy on emissions and provide relief to affected fleets. In April 2010, the Board further directed staff to consider the impact of the recession and emission inventory changes from both on-road and off-road diesel vehicles, and to provide regulatory relief to fleets affected by the Truck and Bus regulation and/or the In-Use Off-Road Diesel Vehicle regulation such that any appropriate economic relief could be targeted most cost effectively between the two regulations, and staff could ensure the combined emissions benefits achieved by the two regulations would continue to meet state implementation plan (SIP) requirements for the combined SIP categories. Staff will be proposing amendments to the Off-Road regulation at the December 16 and 17, 2020 Board Hearing when it considers amendments to the Truck and Bus regulation.¹

In considering changes to the Truck and Bus regulation staff is also proposing changes to the requirements of the Drayage Truck regulation to address many of the

¹ Notice of Public Hearing to Consider Proposed Amendments to the Regulation for In-Use Off-Road Diesel-Fueled Fleets and Off-Road Large Spark Ignition Engine Fleet Requirements. December 16, 2010.

same issues directed by the board and to better align the requirements of the two regulations.

Finally, in December 2008, by Resolution 08–43, the Board approved amendments to bring two–engine sweepers under the Truck and Bus regulation.

Applicability

The Truck and Bus regulation, as originally adopted, applies to any person, business, or federal government agency that owns, operates, or sells, heavy–duty diesel–fueled vehicles with a manufacturer’s gross vehicle weight rating (GVWR) greater than 14,000 pounds, two–engine sweepers, yard trucks with on–road or off–road engines and diesel–fueled shuttle vehicles of any GVWR that have a capacity of ten or more passengers, and routinely drive an average of ten trips per day to or from airport terminals, marine terminals, and rail–based stations. Drayage trucks and utility–owned vehicles are respectively subject to the Truck and Bus regulation beginning January 1, 2017 and January 1, 2021. The regulation applies to vehicles that operate in the State whether or not the vehicle is registered in California. The regulation does not apply to various heavy–duty vehicles, including military tactical support vehicles, authorized emergency vehicles, personal–use motor homes, and personal–use vehicles with pick–up beds, and vehicles subject to the Mobile Cargo Handling Equipment regulation, title 13, Cal. Code Regs., section 2479, as well as vehicles covered under other ARB regulations (see title 13, Cal. Code Regs., section 2025(c)).

Fleet Requirements

The regulation, as originally adopted, requires owners to upgrade their fleets to meet specific PM and NOx performance standards defined as best available control technology or BACT. The BACT standard for PM is an engine equipped with the highest level verified diesel emission control strategy (VDECS²) for PM (also referred to as a PM filter) or an engine originally equipped with a diesel particulate filter by the engine manufacturer. The BACT standard for NOx is an engine newly manufactured in 2010 or later or a 2010 emissions equivalent engine.

Fleets could meet the annual requirements by retrofitting vehicles with a VDECS that would achieve PM or NOx reductions or both as required, replacing vehicles with newer, cleaner ones, or replacing existing engines with cleaner engines. Fleets could also retire older vehicles, or operate higher emitting vehicles less often, designating them as low–use vehicles.

Starting January 1, 2011, fleets are required to install PM filters for certain engine model years and to begin accelerating engine or vehicle replacement starting January 1, 2013. The adopted regulation anticipates that by 2014, half of all vehicles in the fleet would have 2010 model year (MY) or newer engines and the remainder of the fleet would have engines equipped with PM filters. After 2014, fleets are required to phase–in additional 2010 MY or newer engines so that by 2023 all engines would have 2010 or later MY engines or be retrofitted to achieve equivalent emission reductions.

Each year fleets must demonstrate compliance by meeting one of the regulation’s three compliance options:

1. Comply with a BACT schedule that prescribes which vehicles must be equipped with VDECS or replaced based on engine MY; or
2. Meet a BACT percent limit option that sets the minimum number of PM filters and the minimum number of 2010 or equivalent engines in the fleet each year; or
3. Meet specified fleet average emission rate targets.

The regulation includes a number of special provisions that delay some or all of the requirements for certain fleets and vehicle uses. These provisions are available for small fleets, low–use vehicles, agricultural vehicles, vehicles operating exclusively in designated NOx exempt areas, school buses, motor coaches, and unique vehicles. The regulation also provides for manufacturer delays, vehicle retirement credits, hybrid vehicle credits, specialty agricultural vehicles, and VDECS safety exemptions.

Rationale for Amendments

Staff is proposing to amend the Truck and Bus regulation to implement the Board’s directives to provide additional flexibility for fleets that have been adversely affected by the economic recession, while taking into account that emissions are lower than expected due to reduced activity as a result of the recession.

3. Drayage Truck Regulation

In December 2007, in Resolution 07–58, ARB approved the Drayage Truck regulation to reduce emissions from on–road heavy duty diesel–fueled drayage trucks — described as trucks that predominantly transport containers, bulk, and break–bulk goods to and from ports and intermodal rail yards. The regulation is applicable to owners and operators of Class 8 tractors having a GVWR greater than 33,000 pounds that operate at California ports and intermodal rail yards. Staff initially estimated that there would be approximately 25,000 tractors in frequent or semi–frequent port and intermodal rail yard drayage service subject to the regulation. The Board adopted additional amendments to the regulation in 2008 (Resolution 08–43), in which it imposed

² A retrofit device that has been verified under ARB’s Verification Procedure, Warranty and In–Use Compliance Requirements for In–Use Strategies to Control Emissions from Diesel Engines, title 13, Cal. Code Regs., sections 2700 et seq.

additional requirements on 2004–2006 MY drayage trucks.

Existing Requirements

The requirements of the regulation are being implemented in two phases: Phase 1 and Phase 2. In Phase 1, by December 31, 2009, all drayage trucks with a 1994 to 2003 MY engine are required to be retrofitted with a level 3 VDECS for PM or be equipped with a 2004 MY or newer engine. 2004 through 2006 MY drayage trucks must be equipped with a level 3 VDECS for PM by January 1, 2011 and 2012, respectively. Additionally, drayage trucks must register with the ARB's Drayage Truck Registry (DTR) before entering California's ports and intermodal rail yard facilities. In Phase 2, all drayage trucks are required to meet or exceed California or federal 2007 MY heavy duty diesel engine emissions standards by December 31, 2013.

Staff is proposing to amend the Drayage Truck regulation in conjunction with proposed amendments to the Truck and Bus regulation to align the two regulations and to address concerns about localized exposure in communities near ports and intermodal rail yards.

4. Tractor–Trailer GHG Regulation

On December 11, 2008, the Board approved the existing Heavy-Duty Vehicle GHG Emission Reduction (Tractor–Trailer GHG) regulation. This regulation reduces GHG emissions from 53-foot or longer box-type trailers and the tractors that haul such trailers by requiring them to utilize technologies that would result in improved fuel efficiency, such as low-rolling resistance tires and aerodynamic technologies (for example, side skirts, gap fairings, and rear trailer fairings). The Tractor–Trailer GHG regulation is one of the measures identified in ARB's Scoping Plan to reduce GHG emissions and contributes towards meeting the GHG emission reduction goals of Assembly Bill 32 (Global Warming Solutions Act of 2006).

Applicability

The Tractor–Trailer GHG regulation applies to 53-foot or longer dry-van and refrigerated-van trailers (hereinafter collectively referred to as box-type trailers) and the tractors that pull them on California highways. The regulation applies primarily to affected tractor and trailer owners who are responsible for replacing or retrofitting their affected vehicles. In addition, drivers, motor carriers, California-based brokers and California-based shippers that operate or use affected tractors and trailers also share responsibility for compliance with the regulation. The regulation applies to both California and out-of-state registered tractors and trailers that operate in California. The regulation does not apply to box-type trailers shorter than 53 feet in length; refuse trailers, chassis trailers, drop frame trail-

ers, curtain side trailers, livestock trailers, emergency vehicles, or military tactical vehicles.

Existing Requirements

The Tractor–Trailer GHG regulation requires new and existing long-haul tractors pulling 53-foot or longer box-type trailers and 53-foot or longer box-type trailers pulled by these tractors to be United States Environmental Protection Agency (U.S. EPA) SmartWay³ (SmartWay) certified or retrofitted with SmartWay verified aerodynamic technologies and low-rolling resistance tires when they operate on California highways.

Fleets with pre-2011 MY trailers have the option of retrofitting their affected trailers over several years by following one of two compliance schedules based on fleet size. The regulation also includes a special provision for 2003 to 2008 MY refrigerated van trailers to delay compliance until 2017 to 2019 depending on trailer MY.

Since the technologies required by the regulation offer the most efficient improvements at highway speeds, the regulation includes provisions to exempt local-haul trailers, local-haul tractors and short-haul tractors and the trailers they pull from some or all of the requirements.

Rationale for Amendments

Staff believes many fleets were not aware of the Tractor–Trailer GHG regulation and may have missed the July 1, 2010 deadline to participate in the optional large fleet phase-in compliance plan for trailers. Staff is therefore proposing amendments to provide fleets another opportunity to opt-in to the phase-in compliance option. Staff is also proposing additional amendments to provide fleets with additional flexibility in meeting the requirements of this regulation, such as by providing flexibility in complying with existing fleet reporting requirements, and including temporary, short-term exemptions for specific circumstances, such as those associated with storage trailers, transfers of ownership, and moving local-haul trailers. These amendments will provide affected tractors, trailers, and fleets additional flexibility to ease their burden of compliance, and in some cases reduce compliance costs, with minimal impact on the GHG benefits associated with the original regulation.

³ The U.S. EPA SmartWay Partnership Program is a federal voluntary program designed to improve the environmental performance associated with the ground freight delivery system in the United States. The Partnership develops guidelines and verifies fuel efficiency improving technologies such as tractor and trailer aerodynamic equipment and low rolling resistance tires, and certifies fuel efficient tractors and trailers that incorporate these technologies.

C. Proposed Amendments to the Truck and Bus Regulation

Staff is proposing substantial changes to the requirements of the Truck and Bus regulation to meet the Board's directive to provide regulatory relief to affected fleets. Staff is also making changes to simplify certain reporting requirements and to improve enforceability. The following describes the amendments proposed by staff.

1. New Compliance Requirement for Lighter Vehicles

Staff is proposing a new provision (section 2025(f) in the proposed amended regulation) that would exempt about 150,000 vehicles with a GVWR less than 26,001 pounds from the PM BACT requirements. Starting January 1, 2015, and continuing each year thereafter until 2020, engines with model years that are 20 years old or older would need to be replaced with a 2010 MY engine or equivalent. Then, from 2020 to 2023, all remaining pre-2010 MY engines would be required to be 2010 MY engine equivalent according to the schedule specified in section 2025(f) of the proposed amended regulation.

2. New BACT Compliance Schedule for Heavier Vehicles

Staff is proposing to amend the BACT compliance schedule of section 2025(f) of the existing regulation. The revised schedule (section 2025(g) in the proposed amended regulation) would require vehicles, with a GVWR greater than 26,000 pounds (heavier vehicles) with 1998 to 2006 MY engines, to meet PM BACT between January 1, 2012 and January 1, 2014. Fleets would need to replace heavier vehicles having pre-1998 MY engines with a 2010 MY engine or equivalent engines between January 1, 2015 and January 1, 2017. Any heavier vehicle that meets PM BACT prior to January 1, 2014 would be exempt from meeting the 2010 MY emission equivalent requirement until January 1, 2020. From January 1, 2020 to January 1, 2023 all pre-2010 engines would be required to be phased out of service.

Staff will also propose a provision to accommodate those fleets that have already taken compliance actions based on the BACT schedule in section 2025(f) of the existing regulation.

3. Phase-In Option for Small Fleets

Staff proposes to replace the existing optional provision for small fleets (section 2025(i) in the existing regulation) with a new optional phase-in provision for small fleets that have one to three vehicles subject to the regulation. The new provision in section 2025(h) would allow small fleets to report starting January 31, 2012 and would make the heavier vehicles exempt from the regulation's PM BACT requirements until January 1,

2014 and the 2010 engine or equivalent emissions requirements until January 1, 2020. One vehicle in the small fleet would need to meet PM BACT by January 1, 2014, two vehicles by January 1, 2015, and three vehicles by January 1, 2016. Beginning January 1, 2020, all vehicles in the fleet would need to comply with the 2010 engine or equivalent emissions according to the proposed BACT compliance schedule of section 2025(g).

4. Phase-In Option for Large Fleets

Staff is proposing a new compliance option in section 2025(i) to provide additional compliance flexibility for fleets with four or more vehicles subject to the regulation. With this option, the heavier vehicles in the fleet would need to comply with PM BACT by bringing 30 percent of the heavier vehicles into compliance by January 1, 2012, 60 percent by January 1, 2013, and 90 percent by January 1, 2014. By January 1, 2016, the remaining vehicles in the fleet would need to comply according to the proposed PM and 2010 engine or equivalent BACT compliance schedule of section 2025(g). Fleets utilizing this provision would need to report required fleet information for all vehicles starting January 31, 2012. Staff is also proposing to allow fleets with drayage trucks and non-drayage trucks to include all of their vehicles in the phase-in option when determining compliance. This change to the Truck and Bus regulation would not modify any of the requirements of the Drayage Truck regulation (title 13, CCR, section 2027). This phase-in option would expire on January 1, 2017.

5. Relief for Fleets that have Reduced their Fleet Size

Staff is proposing a provision in section 2025(i)(4) of the proposed amended Truck and Bus regulation that offers relief to fleets that have reduced their fleet size compared to their fleet size on October 1, 2006 (this is their "2006 baseline"). This provision would replace the retired vehicle credit of section 2025(k) of the existing regulation. It would only be available for heavier vehicles and only to fleets that have opted into the phase-in option. Until January 1, 2016, a fleet would be able to reduce its requirement for a compliance year by the same percentage that the fleet has downsized from the 2006 baseline fleet. For determining this credit, the fleet would be allowed to exclude existing vehicles that will not operate in the appropriate compliance year. The provision would expire January 1, 2016. Staff is also proposing a new definition of the baseline fleet (2006 baseline fleet) in section 2025(d)(1) of the proposed amended regulation to replace the definition of the 2008 baseline fleet associated with the retired vehicle credit of the existing regulation. The baseline date would be changed from July 1, 2008 to October 1, 2006 and the definition for the 2006 baseline would not include a

mileage requirement for California registered vehicles but would require out-of-state fleet vehicles to have been driven at least 1,000 miles in California during 2006 to be eligible to receive the credit. Similar relief will be provided for school buses.

6. Credits

Staff is proposing to amend the credits for early installation of VDECS and for the purchase of hybrid vehicles, alternative-fueled vehicles, and heavy-duty pilot ignition vehicles (sections 2025(p)(1)(E), (p)(8), and (9) in the existing regulation) These sections would be replaced in the proposed amended regulation with section 2025(j). For each vehicle that had the highest level VDECS for PM installed by July 1, 2011, and for each fuel efficient hybrid vehicle, alternative fueled vehicle, or heavy-duty pilot ignition engine added to the fleet, the fleet could treat another vehicle as compliant until January 1, 2017. The fleet would be required to report information about the vehicle receiving the credit and the vehicle to be treated as compliant. Similar flexibility would be provided for school buses.

In addition, the Board may consider additional amendments to provide fleets with flexibility to take credit for actions to reduce emissions between the off-road regulation and the on-road regulation.

7. School Bus Requirements

Staff is proposing to amend the school bus provision (section 2025(j) of the existing regulation (renumbered as section 2025(k) in the proposed amended regulation) to exempt school buses with a GVWR less than 26,001 pounds. Staff is also proposing a one-year delay before school buses with a GVWR over 26,000 pounds must meet PM BACT. The BACT compliance schedule of the existing regulation will be replaced by a phase-in schedule that requires the fleet to bring 33 percent of the school buses in the fleet into compliance with PM BACT by January 1, 2012, 66 percent by January 1, 2013, and 100 percent by January 1, 2014. The changes would better align the requirements with the amendments being made for other vehicles subject to the regulation.

8. Drayage Trucks

Staff is proposing to amend the requirements for drayage trucks now located in section 2025(e)(4) of the existing regulation. The amendments proposed in section 2025(1) of the proposed amended regulation would allow a fleet owner to include all of their drayage trucks in the fleet for the purpose of complying with the Truck and Bus regulation's proposed phase-in option for large fleets. This option is allowed only if all of the owner's drayage trucks are included in the Truck and Bus regulation fleet. In addition, the initial date that drayage trucks are required to comply with the Truck and Bus regulation has been changed from January 1, 2021 to

January 1, 2017. The proposed amendments to the drayage truck provision in section 2025(1) do not modify any of the requirements of the Drayage Truck regulation (title 13, CCR, section 2027).

9. Two-Engine Sweepers

Staff is proposing to amend section 2025(n)(3) regarding the labeling requirements for two-engine sweepers. Staff proposes to require labeling of all two-engine sweepers with Tier 0 auxiliary engines regardless of the compliance option selected. The current language limits the requirement to only those two-engine sweepers that comply with the BACT percentage limits or fleet averaging option of the existing regulation.

10. Agricultural Vehicles

Staff is proposing to amend section 2025(r)(6) to extend the initial reporting deadline for agricultural vehicles to March 31, 2011 and to amend section 2025(m)(2) to extend the initial compliance date to January 1, 2012 for vehicles in the agricultural fleet that do not qualify for the agricultural vehicle provisions. Staff is also proposing to amend the definition of an agricultural vehicle in section 2025(d)(5) (section 2025(d)(6) of the proposed amended regulation), to clarify the types of vehicles and usage that would qualify a vehicle as an agricultural vehicle. Also, the specialty vehicle designation now limited to feed trucks or mixer-feed trucks in section 2025(d)(69) of the existing regulation would be amended in section 2025(d)(53) of the proposed amended regulation to extend the designation to all livestock feed trucks. Staff is also proposing to amend section 2025(m)(2) so that it no longer identifies specific compliance options available to agricultural fleets, in effect allowing them to use the regulation's special provisions and exemptions for their vehicles that do not qualify for the agricultural vehicle provisions. In addition, staff is proposing to amend sections 2025(m)(6) and (m)(7) to clarify the restrictions on fleets seeking to replace limited-mileage and low-mileage agricultural vehicles and still maintain the vehicle designation.

11. Log Truck Requirements

Staff is proposing a new optional phase-in schedule in section 2025(m)(9) for log trucks and to add a definition for "log truck" in section 2025(d)(40) of the proposed amended regulation. With this option, fleet owners would not be required to install PM retrofits, but instead would be required to phase in 2010 MY emissions equivalent engines at the rate of 10 percent of the log truck fleet per year from January 1, 2014 to January 1, 2023. The proposal would not allow the total number of log trucks using the log truck provision to increase from one year to the next. The total number of log trucks and qualifying agricultural vehicles could not exceed the number of vehicles in the fleet as of January 1, 2009.

12. Definition of Low-Use Vehicle

Staff is proposing to replace the definition of a low-use vehicle in section (d)(47) of the existing regulation with a new definition in section (d)(43) of the proposed amended regulation. The proposed definition would specify when mileage or hours of operation are to be used in determining whether the vehicle qualifies as low use. Under the proposal, a vehicle without power take off (PTO) would be a low-use vehicle if the propulsion engine will be operated in California for fewer than 1,000 miles in any compliance year. For a vehicle with PTO designed to perform work while the vehicle is stationary, the vehicle would meet the low-use definition if the propulsion engine is operated in California for fewer than 1000 miles and less than 100 hours in any compliance year.

13. Reporting Requirements for Fleets with Low-Use Vehicles

Staff is proposing to amend the reporting requirement of section 2025(r)(2) to allow a fleet owner to report only the low-use vehicles in the fleet if these are the only vehicles in the fleet for which reporting is required and all other vehicles in the fleet are meeting the requirements of the BACT compliance schedule.

14. Exemption for Vehicles Unable to Upgrade

Staff is proposing to add an exemption in section 2025(p)(1) for vehicles unable to upgrade to a 2010 MY emissions equivalent engine. The fleet owner would be able to apply to the Executive Officer for a one year exemption from the requirement if by January 1, 2014, a used vehicle or suitable cab and chassis that performs a similar function with a 2010 equivalent emissions engine is not available and the highest level VDECS for PM is not available to be installed by 2014.

15. Operation in NOx Exempt Areas

Staff is proposing to amend the section 2025(p)(1)(B), which currently applies to vehicles operated in certain counties defined as NOx exempt areas. The amendments would provide that vehicles operating exclusively in NOx exempt areas to continue to be exempt from any vehicle replacement requirements until 2021 but would remain subject to meeting PM BACT on the same schedule as other fleets.

16. Deleted Provisions

Staff is proposing to delete the provisions listed below from the existing regulation. The BACT percentage limits option and the Fleet averaging option would no longer be needed because the proposed new compliance options for lighter and heavier vehicles and the new phase-in options add more flexibility and have reduced requirements. The other provisions would no longer be needed since the proposed new or amended requirements do not require accelerated vehicle replacements and provide additional flexibility for fleets to keep older vehicles in the fleet longer.

- BACT Percentage Limits option — section 2025(g),
- Fleet Averaging option — section 2025(h),
- Exemption for cab-over-engine truck tractors — section 2025(p)(2),
- Provision for unique vehicles — section 2025(p)(3),
- NOx mileage exempt vehicles — section 2025(p)(1)(A),
- Requirements for motorcoaches — section 2025(l).

17. Other Amendments

Staff is proposing amendments to section 2025(d), to modify existing definitions and to define new terms that are associated with the amendments outlined above. Staff is also proposing to modify other sections to clarify existing requirements and improve enforceability of the regulation and streamlining reporting and record-keeping. These include proposed changes to the exemption for vehicles operating with a three day pass (moved from section 2025(p)(5) of the existing regulation to section 2025(p)(3) of the proposed amended regulation), and the proposed addition in section 2025(o)(2)(B) to clarify the requirements for fleets that change their status.

In addition to the above, the Board may consider amending the Truck and Bus regulation to cover other two-engine vehicles, as appropriate, for reasons similar to its past decision to include two-engine sweepers within the regulation's scope.

D. Proposed Amendments to the Drayage Truck Regulation

Staff is proposing to amend the Drayage Truck regulation to align its requirements with those of the Truck and Bus regulation and to mitigate the effects of dray-off activities⁴ occurring outside ports and rail yards. The proposed amended regulation will facilitate the transition to one statewide truck and bus regulation. Key elements of the proposed amendments include: eliminating the Phase 2 compliance requirement that all trucks in port and intermodal rail yard service meet or exceed 2007 MY engine standards in 2014, requiring that Class 7 vehicles (GVWR greater than 26,000 pounds but less than 33,001 pounds) be retrofitted with a PM filter by 2014 and sunseting the Drayage Truck regulation at the end of 2016, at which time, drayage trucks will become subject to the requirements of the Truck and Bus regulation. The Board may consider other amendments to the Drayage Regulation that it deter-

⁴ Dray-off is the activity in which cargo destined for or originating from ports or rail yards are delivered or picked up outside or in the proximity of port or intermodal rail yard facilities by non-compliant vehicles that circumvent the drayage truck regulation.

mines necessary, to ensure alignment with the proposed amendments to the Truck and Bus regulation.

1. Eliminating Phase 2 Requirements

Staff is proposing to allow 1994–2006 MY engines retrofitted with level 3 VDECS to continue to operate at port and intermodal rail yards after January 1, 2014 by eliminating the current Phase 2 requirement in section 2027(d)(2) that requires drayage trucks meet or exceed California or federal 2007 MY engine emissions standards by that date. Eliminating this Phase 2 requirement would allow trucks that are retrofitted with a level 3 VDECS to continue operating at the ports and intermodal rail yard facilities until the Truck and Bus regulation mandates modernization. These proposed amendments would effectively align the Drayage Truck regulation's compliance timelines with those of the Truck and Bus regulation and would provide relief and compliance flexibility to drayage truck owners.

2. Mitigating Dray-Off Activity

Staff is proposing several amendments to prevent drayage trucks from exchanging cargo with dirty trucks near port or rail facilities. This practice is commonly referred to as 'dray-off'. Operators who engage in dray-off are circumventing regulatory requirements and adversely impacting the air quality of the surrounding communities. Staff is proposing the following changes in the Drayage truck regulation to prevent dray-off.

- Expand the definition of a 'drayage truck' in section 2027(c)(15) to include trucks engaging in drayage activities outside of port and rail yard facilities.
- Modify section 2027(b)(1) to expand the applicability of the regulation to drayage truck owners and operators operating off of port or intermodal rail yard properties and their dispatching motor carriers.
- Modify the definition of 'Drayage Truck Operator' in section 2027(c)(17) to include drivers operating vehicles off of port or intermodal rail facilities.
- Modify the definition of 'Motor Carrier' in section 2027(c)(33) to include motor carriers dispatching drayage trucks to locations off of port or intermodal rail facilities to pick-up or deliver goods that are destined for or that originated from ports or intermodal rail facilities.
- Add section 2027(d)(4)(A)(2) to require drayage truck operators to identify and provide documentation as to the origin and destination of the cargo and intermodal equipment upon request.
- Modify section 2027(d)(5)(A)(2) to require motor carriers to dispatch only compliant drayage trucks to locations off of port or intermodal rail facilities.

- Modify section 2027(d)(5)(A)(5) to clarify that motor carriers are only required to keep dispatch records of drayage trucks that enter port or intermodal rail yard properties.
- Modify section 2027(e)(1)(C) to clarify that only drayage trucks entering port or intermodal rail yard properties are required to register in the Drayage Truck Registry as operated by the Air Resources Board.

The proposed amendments would allow enforcement personnel to cite noncompliant drayage trucks outside of port and rail yard properties. Motor Carriers responsible for dispatching drayage trucks that engage in dray-off would also be held accountable under the amendments. In addition, the amendments would also level the playing field between noncompliant drayage truck owners and owners of drayage trucks that have invested significant funds modernizing their fleets.

3. Including Class 7 Trucks and a New Phase 2 PM Requirement

Staff is proposing amendments to the Drayage Truck regulation to include Class 7 trucks and require that they operate with a level 3 VDECS for PM by 2014. The existing Truck and Bus regulation, (Cal. Code Regs.), section 2025, already requires all Class 7 trucks statewide (with few exceptions) to operate with a MY 2004 or newer engine equipped with a level 3 VDECS by January 1, 2014. Although, staff is proposing to amend the Truck and Bus regulation to allow certain Class 7 trucks to extend their operations until 2017 without additional PM controls, the proposed amendments would not apply to Class 7 drayage trucks. The amendments to the Drayage Truck regulation would ensure that all drayage trucks operate with PM controls in the near-term and also eliminate the increasingly common practice of operating older and dirtier Class 7 trucks at the ports and rail yards instead of emission compliant Class 8 drayage trucks. To accomplish this goal, staff is proposing to: 1) expand the definition of a 'drayage truck' in section 2027(c)(15) to include trucks with a GVWR greater than 26,000 pounds, 2) modify the definition of 'heavy-duty' in section 2027(c)(26) to greater than 26,000 pounds, 3) add a new Phase 2 requirement in section 2027(d)(2) for trucks with a GVWR greater than 26,000 pounds to operate with a level 3 VDECS by January 1, 2014, and 4) add clarifying language that Phase 1 requirements in section 2027(d)(1) only apply to trucks with a GVWR greater than 33,000 pounds.

4. Sunseting of Drayage Truck Regulation

To complete the transition to one statewide rule for all diesel-fueled trucks, staff is proposing modifications to the applicability in section 2027(b) and the addition of a new section 2027(j) that formally sunset the Drayage Truck regulation on December 31, 2016. Starting Janu-

ary 1, 2017, all drayage truck owners and operators would be subject to the requirements of the Truck and Bus Rule. Compliant trucks would be able to continue to operate until 2020.

E. Proposed Amendments to the Tractor-Trailer GHG Regulation

Staff is proposing the following amendments to the Tractor-Trailer GHG regulation.

1. Optional Second Compliance Schedule for Large Fleets

Staff proposes to modify section 95307 to provide large fleet owners another optional compliance phase-in schedule. This amendment would provide large fleets one additional year to register with ARB, but would have an accelerated phase-in schedule that has the same final compliance deadline as the current large fleet phase-in option. Specifically, fleets that choose this second option would have a reporting deadline on July 1, 2011 and phase-in beginning with 20 percent in 2011, 40 percent in 2012, 60 percent in 2013, 80 percent in 2014, and 100 percent in 2016.

2. Additional Reporting Flexibility

Staff proposes to add new section 95307(f), to provide trailer fleet owners that participate in an optional compliance phase-in schedule additional flexibility regarding compliance plan reporting requirements. Such owners would be allowed to report which trailers in their fleets were brought into compliance at the end of each year, as opposed to identifying their entire phase-in schedule in a one-time multi-year plan, as required by the current regulation. However, trailer fleet owners would still be allowed to submit a one-time, multi-year compliance plan for their fleet should they so choose. Section 95307(f) would also require trailer fleet owners to specify the specific method by which they will bring each trailer into compliance; either retrofitting the trailer with aerodynamic technologies or removing the trailer from the owner's fleet. In addition, trailer fleet owners would need to report each trailer identified in the compliance plan that is redesignated as a local-haul or storage trailer.

3. Exemption of Storage Trailers

Staff proposes to modify subsection 95305(e) to add an exemption for 53-foot or longer box-type storage trailers that are used exclusively for storage of items at a single location. Specifically, staff proposes exempting storage trailers from the aerodynamic technology and low rolling resistance tire requirements of the regulation provided that such storage trailers travel empty of freight while on California highways.

Staff is also proposing that owners of storage trailers can apply for a "Relocation Pass" 95305(f) which, if approved by the Executive Officer, would allow a storage trailer to travel during a specified period, not exceeding

three consecutive days, to a new storage location while loaded with freight. To qualify for the storage trailer exemption, trailer fleet owners would need to first register their storage trailers with ARB.

4. Trailer Aerodynamic Equipment Compliance Delay

Staff is proposing to add new section 95305 (i), to provide a compliance delay for dry-van or refrigerated van trailers that are configured such that no SmartWay verified aerodynamic technologies can be effectively installed on them. The delay would provide a one year extension from the trailer's applicable compliance date or from the conformance threshold deadline for trailers participating in optional fleet compliance schedules. Trailer owners would need to seek and obtain Executive Officer approval of such compliance delays, and would need to renew requests on an annual basis. However, once SmartWay verified technologies become available for a trailer configuration, that trailer would not be eligible for the proposed compliance delay.

5. Delayed Compliance for 2009 Model Year Refrigerated Van Trailers

Staff is proposing to modify section 95303(b) to include 2009 MY refrigerated van trailers (equipped with 2003 MY or newer TRUs) in the delayed compliance provision currently available to 2003 through 2008 MY refrigerated van trailers (equipped with 2003 and newer MY TRUs). As with all trailers included in the refrigerated fleet extended compliance provision, 2009 MY refrigerated van trailers would have until the end of 2019 to be brought into compliance with the regulation.

6. Allowances for Modifications to Aerodynamic Equipment

Staff is proposing to modify the trailer requirements applicable to 2011 and newer dry-van trailers (section 95303(b)(1)), 2011 and newer refrigerated van trailers (section 95303(b)(2)), and to 2010 or prior MY dry-van and refrigerated van trailers (section 95303(b)(3)), to allow such trailers to also be equipped with SmartWay Verified technologies that have been modified in any manner from the SmartWay Verified configuration. Only modifications that are required to enable a particular SmartWay technology to be installed on a trailer are allowed, and are subject to advance review and approval by the Executive Officer. The Executive Officer will base his or her determination upon any information submitted that demonstrates the proposed modifications would not significantly increase the aerodynamic drag of the SmartWay Verified configuration, and on good engineering judgment.

7. Short Term Exemption for Transporting Empty Local-Haul and Storage Trailers

Staff is proposing to modify sections 95305(c)(1)(B) and 95305(e)(1)(A) to allow exempted local-haul and

storage trailers to travel on California highways outside of their base area or away from their current storage location, as long as these trailers are transported empty of freight. This proposal would allow an exempt local-haul trailer to move outside its local-haul area while still maintaining its exempt status, and would allow an exempt storage trailer to travel to another storage location while still maintaining its exempt status. These exemptions would not require reporting to ARB.

8. Relocation Pass for Exempt Local-haul Trailers and Exempt Storage Trailers Carrying Freight

Staff is proposing to add a provision in section 95305(f) that would allow an owner to obtain a relocation pass to allow an exempt local-haul trailer to travel outside its local-haul area while still maintaining its exempt status, and would also allow an exempt storage trailer to travel to another storage location while still maintaining its exempt status. The relocation pass could also be used to transport a local-haul or storage trailer to or from a location outside of California, without having to install the required aerodynamic technologies. The relocation pass would only be necessary when transporting freight in the trailer. Up to four relocation passes per year per trailer could be issued, with each pass not to exceed three consecutive days. Reporting requirements would apply. The proposed amendments would provide fleet operators additional flexibility to comply with the regulation.

9. Limited Three-Day Exemption for Tractors

Staff is proposing to add a provision in section 95305(h) that would allow tractor owners to request and obtain a temporary exemption pass from the regulation, not to exceed three consecutive days, for affected tractors and the trailers they pull to travel on California highways. Only one pass would be issued to an owner per year. Furthermore, only one tractor per fleet, sharing U.S. Department of Transportation (USDOT), motor carrier, or International Registration Plan (IRP) numbers, could be granted one pass per year. In other words, if a fleet is made up of multiple owners, only one pass could be issued to a tractor in that fleet, regardless of the number of owners in that fleet. To ensure the limited use and availability of this exemption, staff proposes to sunset this provision on January 1, 2015.

10. Transfer of Ownership Pass for Trailers

Staff is proposing to include a provision in section 95305(g), to allow sellers of affected trailers to obtain a temporary exemption for trailers that have been sold and are being transported from the seller's location to the buyer's location. This Transfer of Ownership pass would allow sellers of affected trailers to obtain a temporary exemption during the transfer of ownership period, either not to exceed three consecutive days, or for an alternate time period as determined by the Executive Officer.

11. Delaying Low Rolling Resistance Tire Requirements for Pre-2011 Model Year Tractors and Trailers

The current regulation requires pre-2011 MY tractors to use SmartWay verified tires by January 1, 2012, and pre-2011 MY trailers to use SmartWay verified tires by either January 1, 2013, or by the deadlines specified in the optional large or small fleet compliance schedules. Staff is proposing to amend sections 95303(a)(3) and 95303(b)(3) to provide pre-2011 MY tractors and trailers additional time to be equipped with SmartWay verified low rolling resistance tires. Pre-2011 MY tractors would have an additional year to be equipped with SmartWay verified tires, and pre-2011 MY trailers would be allowed up to four additional years to be equipped with SmartWay verified tires. No similar extensions would be allowed for MY 2003 through 2009 refrigerated-van trailers equipped with 2003 or subsequent MY transport refrigeration units (these trailers would still be required to convert their tires to SmartWay tires between January 1, 2018 and January 1, 2020).

12. Exemption for Open Shoulder Drive Tires

The current regulation requires 2011 and subsequent MY tractors to use SmartWay verified tires by January 1, 2010. Staff is aware that some regional-haul fleets must use open-shoulder drive tires to negotiate roads in inclement weather. Currently, staff is aware of only three open-shoulder drive tire models that are U.S. EPA SmartWay verified models. Therefore, staff is proposing to include a limited term exemption in section 95305(j) for 2011 or subsequent MY tractors using open-shoulder drive tires. This exemption would sunset on January 1, 2013.

13. Disclosure Language and Recordkeeping

The current regulation requires any person residing in California that sells or leases an affected tractor or trailer to notify the buyer or lessee, in writing, that the tractor/trailer may be subject to the Tractor-Trailer GHG regulation. Staff is proposing to clarify, in section 95303(i), that only California-licensed vehicle dealers selling affected tractors or trailers are responsible for providing specified disclosure language, and in sections 95302(a)(42), that lessors of affected tractors and trailers are responsible for providing specified disclosure language. Staff is also proposing to relocate the "Disclosure of Regulation Applicability" requirement presently located in section 95301(d) to new section 95303(i). Staff is further proposing to add a requirement that identified sellers or lessors must maintain a record of the written disclosure for three years after the sale or lease in new section 95311.

14. Other Amendments

Staff is proposing amendments to section 95302, to modify existing definitions and to define new terms that

are associated with the amendments outlined above. Staff is also proposing to modify section 95303(c)(2) to require the driver of an affected tractor trailer to provide specified information to authorized enforcement personnel if he or she is driving an exempt drayage tractor; or a tractor-trailer operating under a relocation pass, transfer of ownership pass, or non-compliant tractor pass. Staff also proposes to modify section 95303(c)(3) to require drivers to allow enforcement personnel to directly view the inside of the trailer upon request. This provision would allow enforcement personnel to verify that a trailer is empty or hauling freight.

COMPARABLE FEDERAL REGULATIONS

Section 209(a) of the federal Clean Air Act (CAA) preempts states from adopting emission standards for new motor vehicles and engines. However, section CAA 209(b) provides that the Administrator of the U.S. Environmental Protection Agency (U.S. EPA) shall grant California a waiver of preemption, unless certain specified findings can be made. The regulations proposed for amendment do not establish emission standards for new motor vehicles and engines, and thus no issue of federal preemption exists. Additionally, U.S. EPA does not have authority to adopt in-use emission standards relating to the control of in-use motor vehicles, and thus there are no federal regulations comparable to the Truck and Bus regulation, the Tractor-Trailer GHG regulation, or the Drayage Truck regulation to reduce emissions from in-use on-road diesel vehicles that operate in California.

CAA section 209(e)(2) allows California, upon obtaining authorization from U.S. EPA, to adopt and enforce emission standards and other requirements related to the control of emissions for new and in-use off-road engines not expressly preempted (i.e., as set forth in CAA section 209(e)(1), new off-road engines under 175 hp used in farm and construction equipment and vehicles and new locomotives and locomotive engines). The Truck and Bus regulation has requirements for off-road engines used in yard-goats and two engine street sweepers, and to the extent that the amendments to the regulation require authorization, ARB will request that U.S. EPA grant such authorization. U.S. EPA does not have authority to adopt in-use regulations for off-road engines, and thus there are no federal regulations comparable to the California adopted regulatory provisions affecting off-road engines used in sweepers and yard-goats.

There are also no comparable mandatory federal regulations to control GHG emissions from on-road heavy-duty vehicles. However, as described above, the U.S. EPA has a voluntary program, the U.S. EPA Smart-

Way Partnership Program which is a collaboration between EPA and the freight sector designed to improve energy efficiency, reduce greenhouse gas and air pollutant emissions, and improve energy security.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

The ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory actions, which describes the basis of the proposed actions, and includes a summary of the economic and environmental impacts of the proposed amendments. The Staff Report is entitled: "Proposed Amendments to the Truck and Bus Regulation, the Drayage Truck Regulation and the Tractor-Trailer Greenhouse Gas Regulation."

Copies of the ISOR and the full text of the proposed regulatory language, in underline and strikeout format to allow for comparison with the existing regulations, may be accessed on the ARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990, at least 45 days prior to the scheduled hearing on December 16, 2010.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact person in this notice, or may be accessed on the ARB's website listed below.

Inquiries concerning the substance of the proposed amendments to the Truck and Bus regulation may be directed to the designated agency contact persons, Ms. Beth White, Manager of the On-Road Compliance Assistance Section, at (916) 324-1704, or Ms. Gloria Lindner, Air Resources Engineer, at (916) 323-2803.

Inquiries concerning the proposed amendments to the Drayage Truck regulation should be directed to the designated agency contact person; Mr. Mike Sutherland, Manager of the Project Support Section, at (916) 445-4236 or be directed to the Drayage Truck Regulation phone line at (888) 247-4821.

Inquiries concerning the substance of the proposed amendments to the Tractor-Trailer GHG regulation should be directed to the designated agency contact persons, Ms. Dassi Pintar, Air Pollution Specialist, at (626) 575-7007, or Mr. Alex Santos, Staff Air Pollution Specialist, at (626) 575-6682.

Further, the agency representative and designated back-up contact persons, to whom nonsubstantive inquiries concerning the proposed administrative action may be directed, are Ms. Lori Andreoni, Manager, Board Administration & Regulatory Coordination Unit, (916) 322-4011, or Ms. Trini Balcazar, Regulations Coordinator, (916) 445-9564. The Board has

compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR, and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at <http://www.arb.ca.gov/regact/2010/truckbus10/truckbus10.htm>.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulation are presented below.

1. Costs to State Government and Local Agencies

Pursuant to Government Code section 11346.5(a)(5), the Executive Officer has determined that the proposed regulatory action would not create any costs to or mandates on any local agency or school district that are reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500).

Pursuant to Government Code section 11346.5(a)(6), the Executive Officer has determined, based on estimates prepared in accordance with instruction adopted by the Department of Finance, that the amendments to the Truck and Bus, Drayage Truck, and Tractor-Trailer regulations would not create additional costs to any State agency or to any local agency or school district, whether or not reimbursable by the State pursuant to Government Code, title 2, division 4, part 7 (commencing with section 17500), create other nondiscretionary costs on local agencies, and affect costs or savings in federal funding to the State.

As stated, the proposed regulatory action would not increase costs for school districts and may result in savings. The proposed amendments to the school bus requirements of the Truck and Bus regulation provide school districts an opportunity to delay their initial compliance costs, without increasing the total cost of the regulation. As a result, there may be a decrease in cost as compliance costs are deferred to later years using later year dollars (i.e., the present value of their compliance costs will be lower).

2. Effect on Businesses and Private Persons

The determinations of the Board's Executive Officer, pursuant to Government Code section 11346.5(a)(9), concerning the costs or savings necessarily incurred by representative private persons and businesses in reason-

able compliance with the proposed amendments to the regulations are presented below.

a) Truck and Bus Regulation

The proposed amendments represent major changes to the Truck and Bus regulation and provide substantial economic relief. The amendments to the regulation would exempt about 150,000 trucks with a gross vehicle weight rating less than 26,001 pounds from meeting the PM filter requirements. Staff estimates this change would eliminate most, if not all, of the costs for about 75,000 companies. The amended regulation would reduce annual requirements for fleets most affected by the recession.

The estimated costs of the amended Truck and Bus regulation in the next five years would be about 60 percent lower than the existing regulation, and the costs for the next 15 years would be about 60 percent lower. Average costs for local businesses outside the transportation sector would be reduced by about 70 percent. The amendments would eliminate costs of the existing regulation for thousands of small businesses.

Pursuant to Government Code section 11346.5(a)(7)(C), the Executive Officer has made an initial determination that the proposed regulatory action would affect businesses that aid in the making, distribution, cleaning, and maintenance of VDECS. Because the proposed amendments provide options to delay compliance with the PM requirements, the demand for PM retrofits in the near term may be substantially lower than originally anticipated. For some VDECS manufacturers and associated businesses that have invested capital based on original predictions of demand, there could be a delay in recovery of their capital investment. However, proposed incentive provisions are intended to encourage early retrofitting and could help mitigate potential impacts on retrofit businesses.

For the foregoing reasons, the Executive Officer has determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would affect small businesses.

b) Drayage Truck Regulation

The Executive Officer has further determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed amendments to the Drayage Truck regulation would affect small businesses. The Proposed amendments are expected to reduce the cost of compliance for most businesses by extending the compliance timeline for retrofitted trucks, eliminating costs associated with the Phase 2 requirements to upgrade to 2007 MY engines by 2014, and ending recordkeeping and reporting requirements after the Drayage Truck Regulation sunsets at the end of 2016.

c) Tractor–Trailer GHG Regulation

The proposed amendments to the Tractor–Trailer GHG regulation would provide greater flexibility for affected businesses and reduce the burden of compliance with the existing requirements. The proposed second phase—in option would enable some large fleets that opt into this plan to spread the cost of compliance over 5 years, between 2012 and 2016, rather than meeting the requirements fully by January 1, 2013. Also, exemption of storage trailers and the provisions for temporary passes for relocation, transfer of ownership and for noncompliant tractors would enable fleets to move their trailers on California highways without having to retrofit their vehicles with equipment they might not otherwise need to use. Delayed compliance of 2009 MY refrigerated–van trailers would reduce the burden of compliance on fleets faced with meeting multiple regulations at the same time. It would also reduce the burden of compliance during the early years of the regulation providing more time for the economy to recover. Extending the deadline for use of SmartWay verified low rolling resistance tires in order to provide additional time for fleets to continue using existing retreaded tires on their existing trailers until 2017 to allow U.S. EPA to develop specifications for SmartWay retreaded tires would also result in cost savings.

d) Reporting Requirements

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the Truck and Bus, Drayage Truck, and Tractor–Trailer GHG regulations that apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

3. Effect on State Economy

Pursuant to Government Code section 11346.5(a)(8), the Executive Officer has made an initial determination that the proposed regulatory actions covering all three of the affected regulations would not have a significant Statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. In accordance with Government Code sections 11346.5(a)(10) and 11346.3(b), the Executive Officer has further determined that the proposed regulatory actions will decrease the elimination of jobs within the State of California, and decrease the elimination of existing businesses within the State of California.

The amendments to the Truck and Bus regulation and the Drayage Truck regulation would reduce the compliance obligations for most fleets and businesses affected by the regulations in the next five years. The de-

ferral and new credits included in the amendments would provide more time for the economy to recover and would reduce the total investments required of businesses to comply.

These modifications could have a negative economic impact on retrofit manufacturers and installers and firms that provide repowers because they would likely receive fewer orders in the next two years. However, the proposed modifications intended to encourage early retrofitting would still significantly increase demand for retrofit jobs and businesses. An assessment of the economic impacts of the proposed regulatory action and its effect on California businesses can be found in the Staff Report.

The Executive Officer has made an initial determination that the proposed amendments to the Tractor–Trailer GHG regulation would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons. In accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action would not affect the creation or elimination of jobs within the State of California, the creation of new businesses or elimination of existing businesses within the State of California, or the expansion of businesses currently doing business within the State of California

4. Consideration of Alternatives

Before taking final action on the proposed regulatory actions, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action. Alternatives that staff considered are discussed in the Staff Report.

SUBMITTAL OF COMMENTS

Interested members of the public may present comments relating to the proposed amendments orally or in writing at the meeting, and comments may be submitted by postal mail or by electronic submittal before the meeting. The public comment period for this regulatory action will begin on November 1, 2010. To be considered by the Board, written comments, not physically submitted at the meeting, must be submitted on or after November 1, 2010 and received **no later than 12:00 noon** on December 15, 2010, and must be addressed to the following:

Postal mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento, California
95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that the webpage provided above for electronic submittal is for comments on the following on-road and off-road regulations:

- Truck and Bus
- Drayage Truck
- Tractor-Trailer GHG
- Off-Road
- Large Spark Ignition

To ensure that all comments are properly considered and responded to, please identify in the subject heading of each comment letter the regulation(s) for which comments are being submitted.

Please note that under the California Public Records Act (Government Code §6250 et seq.), your written and oral comments, attachments, and associated contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and any other search engines.

The Board requests, but does not require, that 20 copies of any written statement be submitted and that all written statements be filed at least ten days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

1. Truck and Bus Regulation

This regulatory action is proposed under that authority granted in Health and Safety Code, sections 39002, 39003, 39500, 39600, 39601, 39602, 39602.5, 39650, 39656, 39658, 39659, 39665, 39666, 39667, 39674, 39675, 40000, 41511, 41752, 41754, 41755, 42400, 42400.1, 42400.2, and 42402.2, 42410, 43000, 43000.5, 43013, 43016, 43018, 43018.2, 43023, 43600. This action is proposed to implement, interpret, or make specific Health and Safety Code sections 39600, 39601, 39650, 39658, 39659, 39666, 39667, 39674, 39675, 40000, 41511, 41752, 41754, 41755, 42400, 42400.1, 42400.2, and 42402.2, 42410, 43013, 43016, 43018, 43023, and 43600.

2. Drayage Truck Regulation

This regulatory action is proposed under the authority granted in Health and Safety Code sections 39002, 39003, 39500, 39600, 39601, 39602, 39602.5, 39650, 39656, 39658, 39659, 39665, 39666, 39667, 39674, 39675, 42400, 42400.1, 42400.2, and 42402.2, 42410, 43013, 43016, 43018, 43018.2, 43023, and 43701. This action is proposed to implement, interpret, or make specific Health and Safety Code sections 39600, 39601, 39650, 39658, 39659, 39666, 39667, 39674, 39675, 42400, 42400.1, 42400.2, and 42402.2, 42410, 43013, 43016, 43018, 43023, and 43600.

3. Tractor Trailer GHG Regulation

This regulatory action is proposed under the authority granted in Health and Safety Code sections 38510, 38560, 38560.5, 39600, and 39601. This action is proposed to implement, interpret and make specific Health and Safety Code sections 38560, 38560.5, 38580, and 39600.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice, and that the regulatory language as modified could result from the proposed regulatory action; in such event, the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

At the Board meeting, the Board may direct staff to develop additional modifications to the regulation to be considered at a later Board hearing. If directed to do so, ARB will prepare a separate notice of proposed rule-making that will be published not less than 45 days before the scheduled hearing date.

SPECIAL ACCOMMODATION REQUEST

Special accommodation or language needs can be provided for any of the following:

- An interpreter to be available at the hearing;

- Documents made available in an alternate format (i.e., Braille, large print, etc.) or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Comodidad especial o necesidad de otro idioma puede ser proveído para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno (par decir, sistema Braille, a en impresión grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLE 13. DEPARTMENT OF MOTOR VEHICLES

NOTICE IS HEREBY GIVEN

The Department of Motor Vehicles (department) proposes to amend Sections 272.00 and 272.02 in Article 4.2, Chapter 1, Division 1, Title 13 of the California Code of Regulations, relating to Vehicle Dealers.

PUBLIC HEARING

A public hearing regarding this proposed regulatory action is not scheduled. However, a public hearing will be held if any interested person or his or her duly authorized representative requests a public hearing to be held relevant to the proposed action by submitting a written request to the contact person identified in this notice no later than 5:00 p.m., fifteen (15) days prior to the close of the written comment period.

DEADLINE FOR WRITTEN COMMENTS

Any interested person or his or her duly authorized representative may submit written comments relevant

to the proposed regulations to the contact person identified in this notice. All written comments must be received at the department no later than 5:00 P.M. on **December 13, 2010**, the final day of the written comment period, in order for them to be considered by the department before it adopts the proposed regulations.

AUTHORITY AND REFERENCE

The department proposes to adopt the proposed action under the authority granted by Vehicle Code section 1651, in order to implement, interpret or make specific Vehicle Code sections 320, 4456, 5753 and 11709 and Civil Code section 1798.81.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Vehicle Code section 320 defines “Established Place of Business” for vehicle dealers. Vehicle Code section 5753 provides transfer of registration requirements. Vehicle Code section 11709 requires the display of certain business documents within view of the public.

Current regulations require pertinent business records to be open to inspection, retained for no less than three years and maintained at specified locations, with exceptions, upon approval of the department. While regulations implement some storage standards, they do not address vital requirements such as retention of original documents, requirements for producing quality copies of original documents, retention of copies and the secure destruction of original documents.

The department proposes to strengthen business record storage provisions by, among other things:

- Requiring a dealer to maintain business records at the principal place of business or branch location for 18 months following the subject vehicle transaction.
- Authorizing a dealer to maintain business records at an offsite storage location within the state.
- Requiring records to be retrievable upon three days notice.
- Implementing federal safeguard standards for storage.
- Authorizing a dealer to create an electronic copy of original business record provided the electronic copy meets specified requirements.
- Authorizing a dealer to dispose of original business records pursuant to requirements of Civil Code section 1798.81.
- Authorizing the use of a third party to store records.

FISCAL IMPACT STATEMENT

- Cost Or Savings To Any State Agency: None.
- Other Non-Discretionary Cost or Savings to Local Agencies: None.
- Costs or Savings in Federal Funding to the State: None.
- Cost Impact on Representative Private Persons or Businesses: The department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.
- Effect on Housing Costs: None.

DETERMINATIONS

The department has made the following initial determinations concerning the proposed regulatory action:

- The proposed regulatory action will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states. No studies or data were relied upon in support of this proposal.
- The adoption of this regulation will neither create nor eliminate jobs or businesses in the state of California, will not result in the elimination of existing businesses, and will neither reduce nor expand businesses currently doing business in the state of California.
- The proposed regulatory action will not impose a mandate on local agencies or school districts, or a mandate which requires reimbursement pursuant to part 7 (commencing with Section 17500) of Division 4 of the Government Code.
- The proposed regulatory action will not affect small businesses because the regulations only implement business record storage and retention requirements.

PUBLIC DISCUSSIONS OF PROPOSED REGULATIONS

A pre-notice workshop, pursuant to Government Code section 11346.45, is not required because the issues addressed in the proposal are not so complex or large in number that they cannot easily be reviewed during the comment period.

ALTERNATIVES CONSIDERED

The department must determine that no reasonable alternative considered by the department or that has

otherwise been identified and brought to the attention of the department would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons than the proposed action.

CONTACT PERSON

Inquiries relevant to the proposed action and questions on the substance of the proposed regulations should be directed:

Randi Calkins, Regulations Analyst
Department of Motor Vehicles
P.O. Box 932382, MS C-244
Sacramento, California 94232-3820
Telephone: (916) 657-6469
Facsimile: (916) 657-1204
E-mail: LADRegulations@dmv.ca.gov

In the absence of the department representative, inquiries may be directed to:

Cathy Sowell, Chief of Staff
Telephone (916) 657-6469

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The department has prepared an Initial Statement of Reasons for the proposed action, and has available all the information upon which the proposal is based. The contact person identified in this notice shall make available to the public upon request the Express Terms of the proposed action using underline or italics to indicate additions to, and strikeout to indicate deletions from, the California Code of Regulations. The contact person identified in this notice shall also make available to the public upon request the initial statement of reasons and final statement of reasons, and the location of public records, including reports, documentation and other materials related to the proposed action. In addition, the above-cited materials (Initial Statement of Reasons and Express Terms) may be accessed at www.dmv.ca.gov/about/lad/regactions.htm.

AVAILABILITY OF MODIFIED TEXT

Following the written comment period, and the hearing if one is held, the department may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the full modified text with changes clearly indicated shall be made available to the public for at least 15 days prior to the date on which the department adopts the resulting regulations.

Request for copies of any modified regulations should be addressed to the department contact person identified in this notice. The department will accept written comments on the modified regulations for 15 days after the date on which they are first made available to the public.

TITLE 14. FISH AND GAME COMMISSION

Notice of Proposed Changes in Regulations

NOTICE IS HEREBY GIVEN that the Fish and Game Commission (Commission), pursuant to the authority vested by sections 20, 202, 205, 215, 220, 240, 315 and 316.5, Fish and Game Code, Reference: Sections 200, 205, 206, 215 and 316.5, Fish and Game Code, proposes to amend Subsection 7.50(b)(1.5), Title 14, California Code of Regulations, relating to Alameda Creek.

INFORMATIVE DIGEST/POLICY STATEMENT OVERVIEW

Existing Regulations

Subsection 7.50(b)(1.5) has a year round closure for all species for Alameda Creek and tributaries downstream of San Antonio, Calaveras and Del Valle reservoirs. The Alameda Creek tributaries upstream of San Antonio, Calaveras, and Del Valle reservoirs are open to catch and release fishing for trout from the last Saturday in April through November 15 and only artificial lures with barbless hooks may be used.

During the Commission's February 2010 meeting's public forum, an angler requested the Commission allow catch and release fishing for bass and catfish in the ponds in the Arroyo Del Valle adjacent to East Bay Regional Parks District's Shadow Cliffs Recreational Area in Pleasanton. These ponds were closed all year to all fishing effective March 1, 2010 to increase protection for the anadromous steelhead in the lower Alameda Creek watershed. The ponds are separated from the main creek channel by a gravel bar covered with dense bulrush and cattails. The Arroyo Del Valle stream flow could mix with these ponds during high flood events.

These ponds are a fairly popular bass and catfish fishing location and are important recreational fishing access within the greater Shadow Cliffs Recreational Area. At this time, no steelhead or trout are found in these ponds.

The Department believes allowing catch and release fishing in this location is highly unlikely to impact any salmonids.

Proposed Changes

The Department proposes opening up the portion of the Arroyo Del Valle adjacent the Shadow Cliffs Regional Recreation Area to catch-and-release fishing with artificial lures with barbless hooks only.

Subsection 7.50(b)(1.5) will still have a year round closure for all species for Alameda Creek and tributaries downstream of San Antonio, Calaveras and Del Valle reservoirs with the following exception:

- 1) Arroyo Del Valle between Bernal Avenue and the Thiessen Street intersection with Vineyard Avenue will remain open all year to catch and release fishing to allow access to the non-salmonids species.

There are no proposed changes for the Alameda Creek tributaries upstream of San Antonio, Calaveras, and Del Valle reservoirs.

NOTICE IS GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held at the Lake Natoma Inn, Sierra Ballroom, 702 Gold Lake Drive, Folsom, California, on Thursday, November 18, 2010 at 8:30 a.m., or as soon thereafter as the matter may be heard.

NOTICE IS ALSO GIVEN that any person interested may present statements, orally or in writing, relevant to this action at a hearing to be held at the Hotel Mar Monte, 1111 E. Cabrillo Blvd., Santa Barbara, California, on Thursday, December 16, 2010 at 8:30 a.m., or as soon thereafter as the matter may be heard. It is requested, but not required, that written comments be submitted on or before December 9, 2010 at the address given below, or by fax at (916) 653-5040, or by e-mail to FGC@fgc.ca.gov. **Written comments mailed, faxed or e-mailed to the Commission office, must be received before 5:00 p.m. on December 13, 2010.** All comments must be received no later than December 16, 2010 at the hearing in Santa Barbara, CA. If you would like copies of any modifications to this proposal, please include your name and mailing address.

The regulations as proposed in ~~strikeout~~-underline format, as well as an initial statement of reasons, including environmental considerations and all information upon which the proposal is based (rulemaking file), are on file and available for public review from the agency representative, Jon K. Fischer, Acting Executive Director, Fish and Game Commission, 1416 Ninth Street, Box 944209, Sacramento, California 94244-2090, phone (916) 653-4899. Please direct requests for the above mentioned documents and inquiries concerning the regulatory process to Jon K. Fischer, or Jon Snells-trom at the preceding address or phone number. **Scott Barrow, Department of Fish and Game, phone (916) 445-7600 has been designated to respond to questions on the substance of the proposed regulations.**

Copies of the Initial Statement of Reasons, including the regulatory language, may be obtained from the address above. Notice of the proposed action shall be posted on the Fish and Game Commission website at <http://www.fgc.ca.gov>.

Availability of Modified Text

If the regulations adopted by the Commission differ from but are sufficiently related to the action proposed, they will be available to the public for at least 15 days prior to the date of adoption. Any person interested may obtain a copy of said regulations prior to the date of adoption by contacting the agency representative named herein.

If the regulatory proposal is adopted, the final statement of reasons may be obtained from the address above when it has been received from the agency program staff.

Impact of Regulatory Action

The potential for significant statewide adverse economic impacts that might result from the proposed regulatory action has been assessed, and the following initial determinations relative to the required statutory categories have been made:

- (a) Significant Statewide Adverse Economic Impact Directly Affecting Businesses, Including the Ability of California Businesses to Compete with Businesses in Other States:

The proposed action will not have a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states. The proposed changes will offer more fishing opportunities with no adverse economic impacts.

- (b) Impact on the Creation or Elimination of Jobs Within the State, the Creation of New Businesses or the Elimination of Existing Businesses, or the Expansion of Businesses in California:

None.

- (c) Cost Impacts on a Representative Private Person or Business:

The agency is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

- (d) Costs or Savings to State Agencies or Costs/Savings in Federal Funding to the State:

None.

- (e) Nondiscretionary Costs/Savings to Local Agencies:

None.

- (f) Programs Mandated on Local Agencies or School Districts:

None.

- (g) Costs Imposed on Any Local Agency or School District that is Required to be Reimbursed Under Part 7 (commencing with Section 17500) of Division 4, Government Code:

None.

- (h) Effect on Housing Costs:

None.

Effect on Small Business

It has been determined that the adoption of these regulations may affect small business. The Commission has drafted the regulations in Plain English pursuant to Government Code sections 11342.580 and 11346.2(a)(1).

Consideration of Alternatives

The Commission must determine that no reasonable alternative considered by the Commission, or that has otherwise been identified and brought to the attention of the Commission, would be more effective in carrying out the purpose for which the action is proposed or would be as effective as and less burdensome to affected private persons than the proposed action.

**TITLE 15. DEPARTMENT OF
CORRECTIONS AND REHABILITATION**

NOTICE OF PROPOSED REGULATIONS

**California Code of Regulations
Crime Prevention and Corrections
Department of Corrections and Rehabilitation**

NOTICE IS HEREBY GIVEN that the Secretary of the California Department of Corrections and Rehabilitation (CDCR), pursuant to the authority granted by Government Code Section 12838.5 and Penal Code (PC) Section 5058, in order to implement, interpret and make specific PC Sections 5054 and 3050, proposes to adopt Sections 3800, 3800.1, 3800.2 and 3800.3 in the California Code of Regulations (CCR), Title 15 concerning Residential Drug Treatment Aftercare.

PUBLIC HEARING

Date and Time: December 15, 2010 — 9:00 a.m. to 10:00 a.m.

Place: Department of Corrections and
Rehabilitation
Kern/Colorado Room
1515 S Street—North Building
Sacramento, CA 95811

Purpose: To receive comments about this action.

EFFECT ON HOUSING COSTS

The Department has made an initial determination that the proposed action will have no significant effect on housing costs.

PUBLIC COMMENT PERIOD:

The public comment period will close December 15, 2010, at 5:00 p.m. Any person may submit public comments in writing (by mail, by fax, or by e-mail) regarding the proposed changes. To be considered by the Department, comments must be submitted to the CDCR, Regulation and Policy Management Branch, P.O. Box 942883, Sacramento, CA 94283-0001; by fax at (916) 324-6075; or by e-mail at RPMB@cdcr.ca.gov before the close of the comment period.

COST IMPACTS ON REPRESENTATIVE PRIVATE PERSONS OR BUSINESSES

The Department is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

CONTACT PERSON

Please direct any inquiries regarding this action to:

**Timothy M. Lockwood, Chief
Regulation and Policy Management Branch
Department of Corrections and Rehabilitation
P.O. Box 942883, Sacramento, CA 94283-0001
Telephone (916) 445-2269**

In the event the contact person is unavailable, inquiries should be directed to the following back-up person:

**Josh Jugum, AGPA
Regulation and Policy Management Branch
Telephone (916) 445-2228**

Questions regarding the substance of the proposed regulatory action should be directed to:

**Christine Diesslin, Parole Administrator
Telephone (916) 955-3628**

SIGNIFICANT STATEWIDE ADVERSE ECONOMIC IMPACT ON BUSINESS

The Department has initially determined that the proposed regulations will not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states.

EFFECT ON SMALL BUSINESSES

The Department has determined that the proposed regulations may not affect small businesses. It is determined that this action has no significant adverse economic impact on small business because they are not affected by the internal management of state prisons.

ASSESSMENTS OF EFFECTS ON JOB AND/OR BUSINESS CREATION, ELIMINATION OR EXPANSION

The Department has determined that the proposed regulation will have no effect on the creation of new, or the elimination of existing jobs or businesses within California, or affect the expansion of businesses currently doing business in California.

LOCAL MANDATES

This action imposes no mandates on local agencies or school districts, nor a mandate which requires reimbursement of costs or savings pursuant to Government Code Section 17500 through 17630.

CONSIDERATION OF ALTERNATIVES

The Department must determine that no reasonable alternative considered by the Department, or that has otherwise been identified and brought to the attention of the Department, would be more effective in carrying out the purpose for which the action is proposed, or would be as effective and less burdensome to affected private persons, than the proposed regulatory action. Interested persons are accordingly invited to present statements or arguments with respect to any alternatives to the changes proposed at the scheduled hearing or during the written comment period.

FISCAL IMPACT STATEMENT

- Cost or savings to any state agency: *None*
- Other nondiscretionary cost or savings imposed on local agencies: *None*
- Cost or savings in federal funding to the state: *None*

**AVAILABILITY OF PROPOSED TEXT AND
INITIAL STATEMENT OF REASONS**

The Department has prepared, and will make available, the text and the Initial Statement of Reasons (ISOR) of the proposed regulations. The rulemaking file for this regulatory action, which contains those items and all information on which the proposal is based (i.e., rulemaking file) is available to the public upon request directed to the Department's contact person. The proposed text, ISOR, and Notice of Proposed Action will also be made available on the Department's website <http://www.cdcr.ca.gov>.

**AVAILABILITY OF THE FINAL STATEMENT
OF REASONS**

Following its preparation, a copy of the Final Statement of Reasons may be obtained from the Department's contact person.

**AVAILABILITY OF CHANGES TO
PROPOSED TEXT**

After considering all timely and relevant comments received, the Department may adopt the proposed regulations substantially as described in this Notice. If the Department makes modifications which are sufficiently related to the originally proposed text, it will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the Department adopts the regulations as revised. Requests for copies of any modified regulation text should be directed to the contact person indicated in this Notice. The Department will accept written comments on the modified regulations for 15 days after the date on which they are made available.

**INFORMATIVE DIGEST/POLICY STATEMENT
OVERVIEW**

Penal Code (PC) Section 5000 provides that commencing July 1, 2005, any reference to the Department of Corrections in this or any code, refers to the CDCR, Division of Adult Operations.

PC Section 5050 provides that commencing July 1, 2005, any reference to the Director of Corrections, in this or any other code, refers to the Secretary of the CDCR. As of that date, the office of the Director of Corrections is abolished.

Commencing July 1, 2005, the supervision, management, and control of the state prisons, and the responsibility for the care, custody, treatment, training, disci-

pline, and employment of persons confined therein are vested in the Secretary of the CDCR.

PC Section 5058 authorizes the Director to prescribe and amend regulations for the administration of prisons.

This action provides the following:

- Adopts under Subchapter 6, new Article 21 and new Sections 3800, 3800.1, 3800.2 and 3800.3 into the California Code of Regulations, Title 15, Division 3, governing residential drug treatment aftercare, pursuant to PC Section 3050.
- Establishes that the program shall be referred to as the Treatment Incentive Program (TIP) in order to differentiate this residential substance abuse program from other similar programs.
- Defines eligibility and exclusionary criteria for participating in the residential drug treatment aftercare program.
- Defines the process by which a parolee who successfully completes the program shall be discharged from parole.

**TITLE 17. CALIFORNIA AIR
RESOURCES BOARD**

**NOTICE OF PUBLIC HEARING TO
CONSIDER THE ADOPTION OF A PROPOSED
CALIFORNIA CAP ON GREENHOUSE GAS
EMISSIONS AND MARKET-BASED
COMPLIANCE MECHANISMS REGULATION,
INCLUDING COMPLIANCE
OFFSET PROTOCOLS**

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider adoption of a proposed regulation to implement a California greenhouse gas emissions cap-and-trade program, including compliance offset protocols.

DATE: December 16, 2010

TIME: 9:00 a.m.

PLACE: California Environmental Protection
Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 am. on December 16, 2010, and may continue at 8:30 am. on December 17, 2010. Please consult the agenda for the hearing, which will be available at least ten days before December 16, 2010, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION
AND POLICY STATEMENT OVERVIEW

Sections Affected: Proposed adoption of California Code of Regulation, title 17, new article 5, which contains new sections 95800, 95801, 95802, 95810, 95811, 95812, 95813, 95814, 95820, 95821, 95830, 95831, 95832, 95840, 95841, 95850, 95851, 95852, 95852.1, 95852.2, 95852.3, 95853, 95854, 95855, 95856, 95857, 95870, 95890, 95891, 95892, 95893, 95910, 95911, 95912, 95913, 95914, 95915, 95920, 95921, 95922, 95940, 95941, 95942, 95943, 95970, 95971, 95972, 95973, 95974, 95975, 95976, 95977, 95978, 95979, 95980, 95981, 95982, 95983, 95984, 95985, 95986, 95987, 95988, 95990, 95991, 95992, 95993, 95994, 95995, 95996, 95997, 95998, 96010, 96011, 96012, 96013, 96020, 96021, and 96022.

Background:

The California Global Warming Solutions Act of 2006 (Assembly Bill 32; Stats. 2006, Chapter 488) (AB 32) authorizes ARB to implement a comprehensive, multi-year program to reduce greenhouse gas (GHG) emissions in California. AB 32 required ARB to develop a scoping plan to reduce GHG emissions in California to 1990 levels by 2020. ARB's adopted Scoping Plan includes a comprehensive set of actions designed to reduce GHG emissions in California, improve the environment, reduce dependence on foreign oil, diversify energy sources, save energy, create new jobs, and enhance public health. Meeting the goals of AB 32 requires a coordinated set of strategies to reduce GHG emissions throughout the economy that work within a comprehensive tracking, reporting, verification and enforcement framework. The Scoping Plan includes a variety of measures to achieve AB 32 goals, including direct regulations, performance-based standards, and market-based mechanisms. The measures included in the Scoping Plan continue to be developed through an open public process and will be in place by 2012. Many of the measures in the Scoping Plan complement and reinforce each other.

The Scoping Plan directs ARB staff to develop a cap-and-trade regulation, which is a type of market-based compliance mechanism. Once implemented, the cap-and-trade regulation will provide a fixed limit on GHG emissions from the sources responsible for about 85 percent of the state's total GHG emissions. The cap-and-trade regulation will reduce GHG emissions by applying a declining aggregate cap on GHG emissions, and will also create a flexible compliance system through the use of tradable instruments (allowances and offset credits). The regulation is designed to link up with partners in other jurisdictions, beginning with the Western Climate Initiative (WCI).

In 2007, California helped establish the Western Climate Initiative, a cooperative effort of seven U.S. states and four Canadian provinces (the "partners") that are collaborating to identify, evaluate, and implement policies to reduce GHG emissions, including the design and implementation of a regional cap-and-trade program. ARB has consulted with the partners in formulating the proposed regulation, and anticipates linking to programs promulgated by the partners as they are adopted.

ARB staff conducted an extensive public process during the development of the California cap-and-trade regulation. Through 2009 and 2010, staff developed the overall options for program design and development. ARB staff conducted extensive public consultation, including more than 35 public meetings, to discuss and share ideas with the general public and key stakeholders on the appropriate structure of the cap-and-trade program. In November 2009, staff released a conceptual framework for the cap-and-trade regulation, called the Preliminary Draft Regulation (PDR), and held a workshop on the draft in December. Staff received over 130 written comments in response to the PDR. Staff also met regularly with individual stakeholders to hear their concerns and recommendations. ARB staff collected public comments during each public workshop, which focused on key topics and program design components.

ARB also received input and advice from the Market Advisory Committee and two advisory committees created under AB 32: the Economic and Technology Advancement Advisory Committee (ETAAC) and the Environmental Justice Advisory Committee (EJAC). In addition, in May 2009 ARB, in conjunction with Cal/EPA, convened the Economic and Allocation Advisory Committee (EAAC), which included economic, financial, and policy experts. The EAAC provided recommendations on cap-and-trade program design and reviewed ARB's updated economic analysis on the Scoping Plan that was completed in March 2010.

Description of the Proposed Regulatory Action

After considering the comments received, ARB staff is proposing a regulation that would establish the framework and requirements for California's GHG cap-and-trade program. Cap and trade is a regulatory approach that would control GHGs from major emission sources ("covered entities") by setting a firm limit (the "cap") on GHG emissions while employing market mechanisms to cost-effectively achieve the emission reduction goals. The cap for GHG emissions from major sources would commence in 2012 and decline over time, achieving emissions reductions throughout the program's duration. The cap is measured in metric tons of carbon dioxide equivalent (MTCO_{2e}). Covered entities will be able to buy permits to emit (allowances) at

auction, purchase allowances from others, or purchase offset credits (the “trade”). Allowances and offset credits are more fully discussed below.

The cap-and-trade program would establish the total amount of GHG emissions that major sources would be allowed (permitted) to emit. ARB would distribute allowances to emit GHGs, and the total number of allowances created would be equal to the total amount (“aggregate cap”) set for cumulative emissions from all covered entities. Each allowance would permit the holder to emit one MTCO₂e of GHG. Covered entities include major GHG emitting sources, such as electricity generation, including imports, and large stationary sources (i.e. refineries, cement production facilities, oil and gas production facilities, glass manufacturing facilities, food processing plants) that emit more than 25,000 MTCO₂e per year, as well as natural gas and propane fuel providers and transportation fuel providers.

The cap-and-trade program is one of the key measures included in the Scoping Plan to reduce GHG emissions. Covered entities under the cap may also be subject to other measures, standards, and regulations, including improved building efficiency standards, vehicle efficiency measures and applicable air pollution regulations.

Applicability

Starting in 2012, the proposed regulation would include covered entities emitting more than 25,000 MTCO₂e. This includes GHG emissions from electricity generation, including imports; industrial combustion at large stationary sources; and industrial process emissions for which adequate quantification methods exist. The program will expand in 2015 to include fuel distributors to address emissions from transportation fuels, and from combustion of other fossil fuels not covered directly at large sources in the initial phase of the program. The first-three years of the proposed regulation are known as the “first compliance period,” and the second three years are known as the “second compliance period.”

The first compliance period would include sources responsible for more than one-third of the economy-wide emissions in California. Starting with the second compliance period, the program would include major sources of GHG emissions responsible for about 85 percent of emissions. ARB could choose to expand the applicability of the program to include additional covered entities over time based on new information.

The proposed regulation defines and includes requirements for covered entities, opt-in covered entities, voluntarily associated entities, and other registered participants. Opt-in covered entities are industries with processes and operations that would make them covered entities except that their emissions do not exceed the 25,000 MTCO₂e threshold, and that choose to par-

ticipate in the cap-and-trade program. Opt-in covered entities are subject to the proposed regulation as if they exceeded the 25,000 MTCO₂e threshold, including reporting, verification and compliance requirements and eligibility for allowance distribution. Voluntarily associated entities are parties such as the general public, investment banks, land use easements and private citizen groups that would be allowed to hold allowances and offsets, and would be subject to registration and reporting requirements. Other registered participants include verifiers or verification bodies, which could be private or government organizations; these participants cannot participate in trading and cannot hold compliance instruments. Under the proposed regulation, covered entities and opt-in covered entities would be required to register with ARB, report their emissions annually, acquire compliance instruments, and surrender compliance instruments to match their emissions for the compliance period. Voluntarily associated entities would also need to apply and register with ARB.

The proposed cap-and-trade regulation would apply to the following GHGs: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃). In a separate rule-making action, ARB’s existing mandatory reporting regulation is also being amended to support the cap-and-trade program.

Compliance Instruments

The proposed regulation would create two kinds of “compliance instruments” to allow covered entities to meet their obligations under the cap: allowances and offset credits. Approved compliance instruments would be issued by ARB or other programs that are approved by the Board. Each allowance or offset credit would represent one MTCO₂e.

Allowances

The cap would be divided into annual budgets that specify the number of allowances created for each year from 2012 through 2020. The initial 2012 allowance budget is based on the best estimate of actual emissions in 2012 for those sources that would be covered at the start of the cap-and-trade regulation. The cap would then decline each year beginning in 2013, and fewer allowances would be issued on an annual basis. In 2015, the program would expand to cover providers of transportation fuels and residential and commercial fuels. Therefore, the initial 2015 allowance budget reflects the addition of these GHG emissions, with the increase based on the best estimate of the actual emissions in 2015 for those sources added to the program that year. The cap will then decline until 2020. The 2020 cap will be set at a level designed to allow California to achieve the AB 32 target in 2020.

The allowances will be distributed through a combination of free allocation and sale at auction. The proposed regulation includes a basic framework for the distribution of allowances. Staff anticipates significant comments on this framework, and will consider those comments in working to develop a more specific system for allowance distribution that can be incorporated into the final regulation.

Offset Credits

An offset credit is a compliance instrument that represents a reduction or removal of one MTCO₂e of GHGs resulting from an activity not covered by the cap that can be measured, quantified, and verified. This credit can then be sold and used by a covered entity to meet a portion of its compliance obligation under the regulation. Covered entities can use offset credits to satisfy up to eight percent of the entity's total compliance obligations. Although the source that produces an offset would not be covered under the regulation, it can generate reductions for use by entities that must comply with the cap. Offset credits would need to meet criteria identified in the proposed regulation that demonstrate that the emission reductions are real, permanent, verifiable, enforceable, quantifiable, and additional.

The proposed regulation also includes a process for offset credits from qualified existing offset projects operating under specific offset protocols to be accepted into the compliance offsets program. The proposed regulation also establishes a framework for accepting sector-based offset credits from developing countries, though additional evaluation would be needed before such credits could come into the program.

Offset Protocols

ARB is proposing four compliance offset protocols for the Board to consider as part of the regulation: Compliance Offset Protocol for U.S. Ozone Depleting Substances Projects, Compliance Offset Protocol for Livestock Manure (Digester) Projects, Compliance Offset Protocol for Urban Forest Projects, and Compliance Offset Protocol for U.S. Forest Projects. The Board will consider each of these protocols as part of the proposed regulation and staff is proposing that approval of the regulation will include approval of these offset protocols. Projects using the offset protocols are subject to verification and enforcement requirements that are specified in the proposed regulation. The protocols are incorporated into the regulation by reference, and changes will require future Board action. However, changes to quantification methodologies are exempt from the Administrative Procedure Act (APA). An offset project operator using ARB approved protocols would need to publicly list its project and register with ARB or an ARB approved Offset Protocol Registry, which could include private or other government entities.

Linking to Other Cap-and-Trade Programs

The proposed regulation includes general requirements for linking to other programs. Establishing linkage with other programs will require ARB approval under the APA before allowances and/or offset credits from an external program can be used for compliance with California's regulation. The regulation does not propose linking to any specific programs at this time. Four other WCI Partner jurisdictions (New Mexico, British Columbia Ontario, and Quebec) are moving forward to initiate their cap-and-trade programs in 2012. ARB staff will evaluate those programs in 2011 and expects to make recommendations to the Board on whether linkages to these WCI programs can be in place when California's program starts in 2012.

Registration and Accounts

Under the proposed regulation, ARB would be responsible for tracking information regarding compliance instrument ownership, including transfers of ownership. The proposed regulation will require entities to register with ARB and provide information to ARB regarding ownership and submittal of compliance instruments. ARB will also require reporting of information regarding certain transactions between market participants. Some participants submitting information could be entities that do not have compliance obligations or that are not located within California. All covered entities would be required to register and create an account with ARB or designated account administrator to comply with the regulation. Voluntarily associated entities would need to register with the tracking system to hold ARB allowances or offsets.

The California Cap-and-Trade Market Tracking System (MTS) would track compliance instrument ownership, submittals and transactions. The primary goal of the MTS is to support ARB in effective implementation of the proposed regulation and to reduce the costs and administrative burden associated with long-term regulation responsibilities. The MTS will also provide information necessary for a secure, liquid, and transparent allowance market. ARB staff is working closely on development of the MTS with our partners in the WCI, since coordinated approaches to a tracking system will simplify linking the individual programs into a regional market system.

Compliance Requirements for Covered Entities

The regulation would apply an emissions threshold to determine the entities that would have a regulatory compliance obligation under the program. The inclusion threshold for each covered entity is based on the subset of GHG emissions that generate a compliance obligation for that entity. Fuel suppliers will be covered starting in 2015 based on a threshold applied to emissions associated with combustion of the fuels they deliver. Any entity whose emissions exceed the threshold

in any year of a compliance period has a compliance obligation for that compliance period and the next compliance period, unless it has shut down all processes. For an entity that has shut down all processes, units, and supply operations subject to reporting, an emissions data report must be submitted for the year in which a facility or supplier's GHG-emitting processes and operations ceased to operate, and for the first full year of non-operation following a permanent shutdown. The verification requirements in section 95103 of the Mandatory Reporting Requirements do not apply to the first full year of non-operation following a permanent shutdown.

The proposed regulation includes three-year compliance periods with the first period commencing on January 1, 2012. A compliance period is the length of time for which covered entities must submit compliance instruments equal to their verified GHG emissions. Covered entities would be required to submit a portion of the compliance instruments annually, with the remaining due following the end of the three-year compliance period. Establishing compliance periods that last for three years (instead of one year) provides some compliance flexibility.

When the covered entity surrenders the compliance instruments, ARB permanently retires them. If a covered entity does not surrender sufficient compliance instruments by the compliance date, the regulation would require the entity to cover its deficit by submitting additional allowances.

Greenhouse Gas Emission Reductions

Staff estimates that implementation of the proposed regulation would reduce GHG emissions by 18 to 27 MMTCO₂e in 2020.

Documents Incorporated by Reference

(1) ASTM 6751-08, "Standard Specification for Biodiesel Fuel Blendstock (B100) for Middle Distillate Fuels" approved September 15, 2007, revised October 1, 2008;

(2) ASTM D1835-05, "Standard Specification for Liquefied Petroleum (LP) Gases;" April 1, 2005;

(3) ASTM D6751 — 09a, "Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels," approved September 15, 2007, revised October 1, 2008;

(4) ASTM D6866 — 10, "Standard Test Methods for Determining the Biobased Content of Solid, Liquid, and Gaseous Samples Using Radiocarbon Analysis," August 6, 2010 and

(5) Z'berg-Nejedly Forest Practices Act of 1973, as amended January 1, 1998.

The following documents are ARB-drafted documents that will be incorporated by reference into the cap-and-trade regulation when it is adopted. Any

changes to these documents will be made available in accordance with the Administrative Procedure Act (Government Code section 11340 et seq.). The final date of these documents, if approved, will be the date of final adoption by ARB.

Compliance Offset Protocol for Forest Projects

Compliance Offset Protocol for Livestock Manure (Digester) Projects

Compliance Offset Protocol for U.S. Ozone Depleting Substances Projects

Compliance Offset Protocol for Urban Forest Projects

COMPARABLE FEDERAL REGULATIONS

This regulation is not mandated by federal law or regulations, and there are no comparable federal regulations.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

The Board staff has prepared an Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The report is entitled "Initial Statement of Reasons: Proposed Regulation to Implement the California Cap-and-Trade Program".

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on ARB's website listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California 95814, (916) 322-2990, at least 45 days prior to the scheduled hearing on December 16, 2010.

Upon its completion, the Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons identified in this notice, or may be accessed on ARB's website listed below.

Inquiries concerning the substance of the proposed regulation may be directed to Mr. Steve Cliff, Manager of the Program Evaluation Branch, at (916) 322-7194 or Ms. Brienne Aguila, Air Pollution Specialist at (916) 324-0919.

Further, the agency representative and designated back-up contact persons to whom nonsubstantive inquiries concerning the proposed administrative action may be directed are Ms. Lori Andreoni, Manager, Board Administration & Regulatory Coordination Unit, (916) 322-4011, or Ms. Amy Whiting, Regulations Coordinator, (916) 322-6533. The Board has compiled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at <http://www.arb.ca.gov/regact/2010/capandtrade10/capandtrade10.htm>.

ECONOMIC ANALYSIS

Two models were used for the economic analysis of the proposed regulation. The Energy 2020 model was used to estimate the potential GHG emission reductions and the changes in investment and fuel use. The Environmental Dynamic Revenue Analysis Model (E-DRAM) was used to estimate the macroeconomic impacts of the proposed cap-and-trade regulation on the statewide economy including impacts on gross state product, personal income, and employment, based in part on outputs from Energy 2020. These analyses are presented in 2007 dollars and focus on the impacts of the proposed regulation in 2020.

Under the proposed regulation, projected economic growth would continue virtually on par with current forecasts. At likely allowance prices (\$15 to \$30 in the year 2020), gross state product will grow annually by about 2.3 percent instead of 2.4 percent. Impacts on long-term projected growth rates in personal income and employment are similarly small.

Investment in more energy efficient vehicles, buildings and industrial processes will help reduce fuel use between 2 and 4 percent in 2020. These reductions will help offset potential increases in the price of electricity, natural gas, and gasoline. In 2020, net expenditures (i.e., investment less fuel savings) are estimated to slightly increase by approximately 0.2 percent.

ARB's economic analysis is not meant to predict the increased growth in sectors that could result because of new opportunities created by imposing a carbon price, such as those that design or manufacture renewable technologies, or predict the creation of so called "green jobs." This analysis can therefore be considered a cautious estimate of the potential statewide impacts from the imposition of a cap-and-trade program.

The economic analysis also focuses exclusively on the economic effects in California of implementing the cap-and-trade program, and does not consider the avoided costs of inaction. The potential effects of climate change that are expected to occur in California, such as increased water scarcity, reduced crop yield, sea level rise, and increased incidence of wildfires, could cause severe economic impacts. While California has developed a Climate Adaptation Strategy to help alleviate these potential costs, the risk of potentially high economic costs from climate change in California remains real.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies and private persons and businesses in reasonable compliance with the proposed regulation are presented below.

Costs to State Government and Local Agencies

The Executive Officer has determined that the proposed regulatory action would create costs or savings, as defined in Government Code sections 11346.5(a)(5) and 11346.5(a)(6), to State agencies or in federal funding to the State. The proposed regulatory action would create costs and would impose a mandate on some State and local agencies, but would not create costs or impose a mandate on school districts. At least eight California public universities, several municipal utilities, two correctional facilities and the California Department of Water Resources would have a compliance obligation under the proposed regulation. These entities would be required to surrender allowances or offsets equal to the amount of their GHG emissions during the compliance period.

Because the regulatory requirements apply equally to all covered entities and unique requirements are not imposed on local agencies, the Executive Officer has determined that the proposed regulatory action imposes no costs on local agencies that are required to be reimbursed by the State pursuant to part 7 (commencing with section 17500), division 4, title 2 of the Government Code, and does not impose a mandate on local agencies or school districts that is required to be reimbursed pursuant to section 6 of Article XIII B of the California Constitution.

Costs to Businesses and Private Individuals

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses. The Executive Officer has determined that representative private persons and businesses would be affected by the cost impacts from the proposed regulatory action. Representative private persons and businesses that do not exceed the emissions threshold would not be directly regulated under the proposed action, but would be indirectly affected by changes to the cost of using fossil-fuel based energy. Pursuant to Government Code section 11346.5(a)(7)(C), the Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, and little or no impact on the ability of California businesses to compete with businesses in other states.

The proposed regulation imposes direct costs on businesses that are required to quantify and report their

GHG emissions and acquire and surrender compliance instruments. Regulated businesses may face additional indirect costs due to increased energy and input prices, and some businesses might be impacted based on the compliance path they choose to meet their obligations under the proposed regulation. However, the proposed regulation would not impose sufficient direct or indirect costs to eliminate businesses in California. It is not possible to quantify the number of businesses that will be created in response to opportunities that arise as a result of the proposed regulation. However, staff believes that startups in emerging sectors such as renewable energy and biofuel production could represent significant numbers of new, small and medium sized businesses.

Therefore, in accordance with Government Code section 11346.3, the Executive Officer has determined that the proposed regulatory action would not eliminate existing businesses within the State of California, but would affect the creation of new businesses or the expansion of existing businesses currently doing business in California. The proposed regulatory action would not eliminate jobs within the State of California, but would affect the creation of jobs within California.

ARB estimates that 360 businesses or covered entities would participate in the proposed cap-and-trade program from the year of initial implementation through 2020. These businesses include: electricity generators; electricity importers; industrial facilities including cement plants, cogeneration facilities, hydrogen plants, petroleum refiners, and general stationary combustion facilities; and many fuel providers including wholesalers of gasoline, distillate, propane, and natural gas.

In general, most small businesses in regulated sectors would not be subject to the proposed regulation because their total GHG emissions are below the GHG reporting threshold, thereby exempting them from compliance obligations under the proposed regulation. However, small businesses may experience similar cost impacts as consumers. Cost impacts on consumers would result from changes in energy prices. Households and small businesses that consume less energy (directly by reducing their consumption of energy or indirectly by utilizing goods and services that are produced using less energy) will be less affected by higher prices than those that consume more energy. Incentive programs available to small businesses and consumers will provide access to funds for investing in energy efficient technologies, which includes low interest loans, rebates and credits. Energy savings from efficiency improvements are likely to partially offset or fully mitigate the impact of any increase in electricity prices and could mean decreased energy bills. Most California businesses will likely pass along the cost increases to consumers in the

form of slightly higher prices for their products or services.

ARB staff has considered whether any proposed alternatives would lessen potential adverse economic impacts on businesses. The alternatives that staff has considered are described in more detail in the Initial Statement of Reasons.

The Executive Officer has also determined, pursuant to California Code of Regulations, title 1, section 4, that the proposed regulatory action would affect small businesses.

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the proposed regulation which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board, or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

A detailed assessment of the economic impacts of the proposed regulatory action can be found in the Economic Impacts chapter of the Initial Statement of Reasons and in Appendix N — Supporting Documentation for the Economic Analysis.

SUBMITTAL OF COMMENTS

Interested members of the public may present comments orally or in writing at the meeting, and comments may also be submitted by postal mail or by electronic submittal before the meeting. The public comment period for this regulatory item will begin on November 1, 2010. To be considered by the Board, written comments not physically submitted at the meeting must be submitted on or after November 1, 2010, and received **no later than 12:00 noon, December 15, 2010**, and must addressed to the following:

Postal mail: Clerk of the Board, Air Resources
Board
1001 I Street, Sacramento, California
95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated

contact information (e.g., your address, phone, email, etc.) become part of the public record and can be released to the public upon request. Additionally, this information may become available via Google, Yahoo, and other search engines.

The Board requests but does not require that 20 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

This regulatory action is proposed under the authority granted in sections 38510, 38560, 38562, 38570, 38571, 38580, 39600 and 39601 of the Health and Safety Code. This regulatory action is proposed to implement, interpret, or make specific sections 38530, 38560.5, 38564, 38565, 38570 and 39600 of the Health and Safety Code.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the Board may adopt the regulatory language as originally proposed, or with non substantial or grammatical modifications. The Board may also adopt the proposed regulatory language with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action; in such event the full regulatory text, with the modifications clearly indicated, will be made available to the public, for written comment, at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Special accommodation or language needs can be provided for any of the following:

- An interpreter to be available at the hearing;

- Documents made available in an alternate format (i.e., Braille, large print, etc.) or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Comodidad especial o necesidad de otro idioma puede ser proveído para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno (por decir, sistema Braille, o en impresión grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLE 17. CALIFORNIA AIR RESOURCES BOARD

NOTICE OF PUBLIC HEARING TO CONSIDER AMENDMENTS TO THE REGULATION FOR MANDATORY REPORTING OF GREENHOUSE GAS EMISSIONS

The Air Resources Board (ARB or Board) will conduct a public hearing at the time and place noted below to consider amendments to California's existing Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (title 17, California Code of Regulations, section 95100 et seq.), which was developed pursuant to requirements of the California Global Warming Solutions Act of 2006.

DATE: December 16, 2010

TIME: 9:00 a.m.

PLACE: California Environmental Protection Agency
Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

This item may be considered at a two-day meeting of the Board, which will commence at 9:00 a.m., Decem-

ber 16, 2010, and may continue at 9:00 a.m., December 17, 2010. This item may not be considered until December 17, 2010. Please consult the agenda for the meeting, which will be available at least 10 days before December 16, 2010, to determine the day on which this item will be considered.

INFORMATIVE DIGEST OF PROPOSED ACTION AND POLICY STATEMENT OVERVIEW

Sections Affected: Proposed amendments to sections 95100, 95101, 95102, 95103, 95104, 95105, 95106, 95107, 95108, 95109, 95110, 95111, 95112, 95113, 95114, 95115, 95130, 95131, 95132, and 95133, title 17, California Code of Regulations (CCR). Proposed repeal of section 95125, title 17, CCR. Proposed adoption of new sections 95100.5, 95116, 95117, 95118, 95119, 95120, 95121, 95122, 95123, 95129, 95150, 95151, 95152, 95153, 95154, 95155, 95156, 95157, and 95158, title 17, CCR.

Background

In 2006, the Legislature passed and Governor Schwarzenegger signed the California Global Warming Solutions Act of 2006 (AB 32; Stats. 2006, chapter 488). In AB 32, the Legislature declared that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California.

AB 32 created a comprehensive, multi-year program to reduce GHG emissions in California, with the overall goal of restoring emissions to 1990 levels by the year 2020. One of the requirements of AB 32 is that ARB must adopt a greenhouse gas reporting regulation.

To comply with this requirement, the Board approved the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (regulation) at its December 2007 Board meeting. The regulation became effective on January 2, 2009. All relevant documents for the rule-making, including the final regulation, are available at: <http://www.arb.ca.gov/regact/2007/ghg2007/ghg2007.htm>.

Over the past two years, ARB staff has implemented the California greenhouse gas reporting program established by the regulation. Under the program, over 600 facilities and entities annually submit to ARB their greenhouse gas emissions data reports, which are verified as accurate and complete by ARB-accredited third-party verifiers. Information about the current program can be found at: <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>.

Since the adoption of the Mandatory Reporting Regulation, there have been three significant developments. First, ARB has moved forward with developing a market-based cap-and-trade program for reducing

GHG emissions. A successful cap-and-trade program requires very accurate and complete emissions reporting. Second, at the federal level, the United States Environmental Protection Agency (U.S. EPA) has adopted a national mandatory greenhouse gas reporting rule. The U.S. EPA reporting requirements differ from the current ARB reporting requirements, and they were not designed to support a market-based cap-and-trade program. Finally, the Western Climate Initiative (WCI), established in 2007 by Governor Schwarzenegger and the governors and premiers of six other states and four Canadian provinces, has worked to assemble common and consistent reporting requirements out of the framework of U.S. EPA's reporting regulation. WCI's goal has been to create a GHG emissions market within a job-creating green economy among the partner states and provinces, built on a strong foundation of reported emissions data.

Substantial revisions to ARB's current mandatory reporting regulation are necessary in order to align California's GHG emissions reporting with these three developments, to streamline and avoid duplicate GHG reporting, and to still provide the high quality of data needed to support a market-based cap-and-trade program.

A description of the proposed action follows. Many of the proposed amendments were presented at a public workshop held March 23, 2010. ARB staff also discussed its intent to harmonize with U.S. EPA requirements while supporting cap-and-trade; this discussion took place at the U.S. EPA mandatory reporting training session held May 4, 2010, in Los Angeles. Staff considered the comments provided during and after these meetings, as well as public comments provided on the WCI Proposed Harmonized Reporting Requirements, in crafting the staff proposal.

Description of the Proposed Regulatory Action

The purpose of the proposed amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions is to: (1) harmonize with the U.S. EPA national greenhouse gas reporting requirements, (2) ensure sufficient accuracy and completeness in reporting to support a California greenhouse gas market-based cap-and-trade system, and (3) eventually, support linkage with a WCI regional market system.

To meet these goals, the current ARB mandatory reporting regulation must be substantially altered in form, though the emissions monitoring practices of many reporting entities will not change. Under this proposal, therefore, much of the current regulation would be replaced with new regulatory language. In general, the overall approach has been to start with the U.S. EPA reporting requirements, and then provide additional stringency or specificity where needed to support California cap-and-trade and WCI consistency.

This approach streamlines reporting for those entities subject to both ARB and U.S. EPA reporting rules. An emissions data report that meets the proposed ARB regulation will most often meet the U.S. EPA requirements. This reduces the time and data needed to report, which should reduce costs and result in consistent GHG data reporting across government programs. ARB is also pursuing development of a unified mechanism for federal and state reporting.

The proposed revision requires annual emissions reporting from facilities, fuel and carbon dioxide suppliers, and electric power entities that together account for approximately 87 percent of the total carbon dioxide (CO₂) produced in California from industrial, commercial, and mobile sources of emissions, and similar portions of methane and nitrous oxide emissions. Overall, we estimate that approximately 750 facilities, suppliers and entities would be subject to GHG reporting under the proposed revised regulation, compared to about 600 under the current regulation.

The proposed revised regulation provides specific reporting requirements for each industrial sector, defining which facility processes and GHGs must be reported. In general, all facilities would be required to report their on-site stationary source combustion emissions of CO₂, N₂O (nitrous oxide), and CH₄ (methane). Facilities in some industrial sectors, such as cement, glass production, nitric acid production, and refineries, would also report their process emissions, which occur from chemical or other non-combustion activities. Facilities would report fugitive emissions as specified in the regulation. The CO₂ emissions from biomass-derived fuels would also be separately identified during reporting.

The following paragraphs describe the regulatory requirements according to the level of emissions for a facility or supplier.

Reporters With No Reporting Threshold. For several types of reporting facilities and suppliers, the U.S. EPA regulation and this proposed revision to California's reporting regulation require "whole-sector" reporting. This means that all facilities or suppliers within the industrial sector must report their GHG emissions. In California, this applies to cement production, lime manufacturing, nitric acid production, petroleum refineries, natural gas liquid fractionators, and carbon dioxide suppliers. These types of facilities and suppliers are likely to have emissions that exceed the thresholds below, and their reporting and verification requirements are similar to those above the 25,000 metric tons (MT) of CO₂ equivalent (CO₂e) threshold.

In addition the ARB regulation would continue to require reporting by importers and exporters of electric power; there is no emissions threshold associated with these requirements. Other electricity retail providers

would continue to report their retail sales, but would be relieved of many current reporting requirements that were in place for a possible load-based point of regulation in the electricity sector.

Reporters Over 25,000 MT of CO₂e. Under the proposed revision, the majority of facilities currently subject to reporting will still be required to report. Full reporting is required for facilities emitting at least 25,000 metric tons of CO₂e emissions per year, most of which will hold a cap-and-trade compliance obligation under ARB's cap-and-trade program. Those subject to the proposed revised regulation include electricity generating and cogeneration facilities, electric retail providers and other importers and exporters of electric power, oil refineries, hydrogen plants, cement plants, and other facilities that meet CO₂e reporting thresholds for stationary combustion and industrial processes, including producers of glass, nitric acid, iron and steel, and manufacturers of lime and pulp and paper. The addition of process emissions from these sources in California is consistent with U.S. EPA reporting requirements. The proposal would also require that these facilities provide their consumption of purchased or acquired electricity and thermal energy; this is consistent with the current ARB regulation and will be used to support ARB regulatory programs.

In addition to reporting by industrial facilities, most of which report under the current regulation, the proposed revised regulation requires new reporting by fuel suppliers (suppliers of transportation fuels, suppliers of natural gas, natural gas liquids, and liquefied petroleum gas), and suppliers of carbon dioxide. Reporting by fuel suppliers would substantially increase the emissions coverage of the regulation, which is necessary to support a broad cap-and-trade program that includes these sources by 2015. Also covered by the U.S. EPA regulation, suppliers report the GHGs to be emitted from the eventual combustion or use of the products supplied. To limit reporting of transportation fuels to those resulting in emissions in California, the regulation would require reporting by position holders (fuel owners) at terminal racks and refineries, and enterers (importers) of petroleum products and biofuels outside the terminal system. GHG reporting would follow practices that are already used by these suppliers to determine fuel taxes payable to the California Board of Equalization, so the addition of GHG reporting requirements should not be too burdensome.

The proposed revised regulation also includes requirements for emissions reporting by facilities in the oil and gas exploration and production sector. These requirements are included in anticipation of finalization of the U.S. EPA proposal (known as Subpart W) for reporting GHG emissions by the oil and gas exploration and production sector. The proposed ARB require-

ments are based on the U.S. EPA proposal for most source types, but for some source types in this sector (as in other sectors) additional requirements are proposed to ensure the accuracy needed to support market emissions trading. Because final U.S. EPA action may not occur prior to the release of this proposal, full proposed regulatory text is included as Subarticle 5 of the revised regulation.

Schedule and Due Dates. The data specified in the proposed revised regulation would be reported to ARB annually, for the previous calendar year. The first emissions reports under the proposed revised regulation, for 2011 emissions, would be submitted in 2012. Facilities and suppliers would be permitted to report on 2011 emissions using only the requirements in the U.S. EPA regulation, in recognition that any needed shifts in monitoring practices to comply with the new ARB requirements may not be implemented until 2012. Most reports would be due April 1 of each year; electric power entities would have until June 1 to allow enough time for compilation of purchase and sales data for the previous year.

Missing Data Substitution. The proposed revised regulation includes new specifications for the replacement of missing emissions and fuel monitoring data needed for meeting the requirements of the regulation. Because the U.S. EPA regulation was not designed for a cap-and-trade program, these additional elements are intended to prevent abuse of monitoring practices that would undermine fairness in a market program. They are based on similar requirements developed for the U.S. EPA Acid Rain Program.

Third Party Verification. Most facilities and entities subject to the proposed revised regulation would be required to contract with a third-party verification body (which may include local air pollution control or air quality management districts) for the verification of their submitted emissions data reports, to ensure the completeness and accuracy of the data and to confirm the use of required methods in preparing the emission estimates. Verification would be performed annually, with more comprehensive reviews, including site visits, at least once during a three-year compliance period under the market program. Verification would be required by September 1 for facilities and suppliers, and by October 1 for electric power entities. Verification services specified in the regulation must be performed by ARB-accredited verifiers. The verification and verifier accreditation requirements are not significantly different from current ARB requirements (most facilities and entities affected by the proposed revised regulation are already subject to third-party verification), but some additional language has been added to provide for the accreditation of offset project verifiers.

Reporters Below 25,000 MT of CO₂e. Facilities and suppliers with emissions between 10,000 metric tons and 25,000 metric tons of CO₂e would be included in the mandatory reporting program, but would have abbreviated reporting requirements. These reporters would report their combustion emissions using default emission factors or any other method of their choosing from the U.S. EPA regulation. They would also report process emissions, although these are unlikely to occur at facilities of this size. Only some oil-and-gas production facilities and a few glass production facilities are likely to have process emissions to report.

Under the current regulation, only power plants report within this emissions range. Under the revised regulation, power plants would continue to report down to 10,000 MT of CO₂e, but may use a simplified calculation approach. They would also report some basic information on their power generation or cogeneration systems, such as generating capacity and the amount of power generated.

Reporters in this range would also report process information associated with their emissions, such as fuel use. This will enable ARB staff to check the emissions calculation as part of their review of these reports.

As part of the streamlined approach for reporters in this range, they would not be subject to other regulatory requirements for third-party verification, missing data substitution, or calibration and measurement accuracy. This will minimize costs while providing ARB a means of monitoring what is happening “below the cap” for the cap-and-trade program. This feature of the regulation is part of the WCI design recommendation.

Reporters No Longer Affected. The current ARB reporting regulation requires reporting by power plants and cogeneration facilities emitting between 2,500 and 10,000 metric tons of CO₂e. These facilities will no longer be subject to reporting requirements. No facility or supplier below 10,000 MT of CO₂e will be required to report to California, except in the unlikely case one is brought in by U.S. EPA whole-sector requirements.

Other Items. Other items included in the proposed revised regulation are the detailed quantification and reporting requirements for each industrial sector, requirements for the substitution of missing data, required elements of verification services, verifier accreditation requirements, specifications for claiming confidential data, and document retention and record keeping requirements. Also in the proposal, the current requirements for SF₆ (sulfur hexafluoride) and HFCs (hydrofluorocarbons) reporting in the electricity sector have been removed because this information is being reported more comprehensively through other ARB programs. Complete details are provided in the proposed regulation and the Initial Statement of Reasons, which

are available at: <http://www.arb.ca.gov/regact/2010/ghg2010/ghg2010.htm>.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents would be incorporated in the regulation by reference: *Mandatory Reporting of Greenhouse Gases; Final Rule*, 40 Code of Federal Regulations (CFR) Parts 86, 87, 89, 90, 94, and 98 (October 30, 2009); *Mandatory Reporting of Greenhouse Gases from Magnesium Production, Underground Coal Mines, Industrial Wastewater Treatment, and Industrial Waste Landfills; Final Rule*, 40 CFR Part 98 (July 12, 2010); *Mandatory Reporting of Greenhouse Gases; Final Rule (Corporate Parent/NAICS Code Amendments)*, 40 CFR Part 98 (September 22, 2010); *Mandatory Reporting of Greenhouse Gases; Final Rule (Technical Corrections, Clarifying and Other Amendments to Certain Provisions of the Mandatory Greenhouse Gas Reporting Rule)*, 40 CFR Parts 86 and 98 (October 7, 2010); 40 CFR Part 75 (July 1, 2009); 40 CFR Part 60, subpart A, §60.18(i)(1) and (2) (revised as of July 1, 2009); *The American Association of Petroleum Geologists Bulletin*, V. 75, No. 10, pp. 1644–1651 (October 1991); American Society for Testing and Materials (ASTM) D388, *Standard Classification of Coals by Rank* (September 2005); ASTM D4806, *Standard Specification for Denatured Fuel Ethanol for Blending with Gasolines for Use as Automotive Spark-Ignition Engine Fuel* (August 2008); ASTM D6751, *Standard Specification for Biodiesel Fuel Blend Stock (B100) for Middle Distillate Fuels* (October 2008); and, *Year 2005 Gulfwide Emission Inventory Study (GOADS)*, U.S. Department of the Interior, Minerals Management Service, Gulf of Mexico OCS Region, MMS 2007–067 (2007).

In addition to the documents listed above, the proposed regulation would also incorporate by reference two software programs: *Production Tank Model — A Program for Estimating Emissions from Hydrocarbon Production Tanks — E&P Tank Version 2.0*, American Petroleum Institute (2000) and *GRI-GLYCalc™ Version 4.0*, Gas Technology Institute (2008).

COMPARABLE FEDERAL REGULATIONS

As mentioned previously, the U.S. EPA requires mandatory GHG reporting (*Mandatory Reporting of Greenhouse Gases; Final Rule*, 40 CFR Parts 86, 87, 89, 90, 94, and 98. United States Environmental Protection Agency. October 30, 2009). This proposed revised regulation was developed to minimize, to the greatest extent possible, any redundant State and federal report-

ing. Without adoption of the proposed revised regulation, reporters would have to submit duplicative GHG emissions reports based on different requirements, estimation methods, and reporting systems, in order to comply with different ARB and U.S. EPA reporting requirements for GHG data.

In addition, the U.S. EPA's Acid Rain Program requires the reporting of CO₂, SO₂, and NO_x emissions from certain fossil fueled power plants as part of its program to reduce atmospheric levels of sulfur dioxide and nitrogen oxides (see Title 40, Code of Federal Regulations, section 72.1 et seq.). Because of the very limited nature of this federal regulation related to GHG emissions reporting, the proposed revised ARB regulation is not duplicative of this federal requirement. The missing data elements in the proposed amendments are largely based on elements in the Acid Rain Program, which were developed to support emissions trading.

AVAILABILITY OF DOCUMENTS AND AGENCY CONTACT PERSONS

ARB staff has prepared a Staff Report: Initial Statement of Reasons (ISOR) for the proposed regulatory action, which includes a summary of the economic and environmental impacts of the proposal. The ISOR is entitled: "Staff Report: Initial Statement of Reasons for Rulemaking: Revisions to the Regulation for Mandatory Reporting of Greenhouse Gas Emissions."

Copies of the ISOR and the full text of the proposed regulatory language may be accessed on ARB's web site listed below, or may be obtained from the Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, or by calling (916) 322–2990 within the 45 days prior to the scheduled hearing on December 16, 2010.

Upon its completion, a Final Statement of Reasons (FSOR) will be available and copies may be requested from the agency contact persons in this notice, or may be accessed on ARB's website listed below.

Inquiries concerning the substance of the proposed regulation may be directed to the designated agency contact persons, Mr. Doug Thompson, Manager of ARB Climate Change Reporting Section, Planning and Technical Support Division at (916) 322–7062, or Mr. Patrick Gaffney, Staff Air Pollution Specialist, at (916) 322–7303.

Further, the agency representative and designated back-up contact persons to whom nonsubstantive inquiries concerning the proposed administrative action may be directed are Ms. Lori Andreoni, Manager, Board Administration & Regulatory Coordination Unit (916) 322–4011, or Ms. Amy Whiting, Regulations Coordinator, (916) 322–6533. The Board staff has com-

piled a record for this rulemaking action, which includes all the information upon which the proposal is based. This material is available for inspection upon request to the contact persons.

This notice, the ISOR and all subsequent regulatory documents, including the FSOR, when completed, are available on ARB's website for this rulemaking at: <http://www.arb.ca.gov/regact/2010/ghg2010/ghg2010.htm>.

COSTS TO PUBLIC AGENCIES AND TO BUSINESSES AND PERSONS AFFECTED

The determinations of the Board's Executive Officer concerning the costs or savings necessarily incurred by public agencies, private persons and businesses in reasonable compliance with the proposed regulatory action are presented below. A detailed assessment of the economic impacts of the proposed regulation is included in the Initial Statement of Reasons for this regulatory item.

The Executive Officer has made an initial determination that the proposed regulatory action would not have a significant statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states, or on representative private persons. Because the proposed revised regulation provides harmonization with the U.S. EPA greenhouse gas reporting requirements, most facilities subject to the U.S. EPA requirements will only have a small incremental cost to comply with the ARB regulations. In most cases, data and analysis will be performed in compliance with the U.S. EPA regulation, and the data will also meet ARB requirements.

For most facilities not subject to U.S. EPA reporting, but subject to the ARB proposal, reporting costs will typically be modest. This is because these facilities will generally be able to use the abbreviated reporting option, which provides simple estimation methods, or because readily available data may be used to complete reporting. The reporting costs will be low relative to typical facility revenues; therefore the affected businesses newly added to GHG reporting as part of this proposal should be able to absorb the costs of the proposed regulation with no significant adverse impacts on their profitability. Staff does not expect a noticeable change in employment, business creation, elimination or expansion, or business competitiveness in California due to the proposed revisions.

In developing this regulatory proposal, ARB staff evaluated the potential economic impacts on representative private persons or businesses and determined that there would be a potential net incremental cost impact

on private persons and businesses directly affected. Staff estimates that the total incremental net costs associated with meeting the proposed revisions, beyond what is incurred in complying with the U.S. EPA regulation, to be \$18 million over the course of 10 years for businesses, local, and State government. Initial annual reporting costs will be higher due to the possible need for new equipment, sampling systems, training, and other start-up costs to meet the regulatory requirements. Chapter VI of the ISOR for the proposed regulation includes additional data on the estimated costs to facilities.

Determining the specific cost for an individual facility subject to the proposed revised regulation is complex because incremental costs vary by facility type, the complexity of the facility, and applicable reporting requirements. For many facilities and suppliers there should be minimal additional costs over those needed to comply with the U.S. EPA reporting regulation, and monitoring practices may not differ from practices currently used to comply with the existing ARB regulation. For facilities and suppliers not required to report to U.S. EPA, or to ARB currently, incremental costs will be more significant. We estimate that on average the costs of complying with the ARB proposal will be about \$5,000 for typical reporters. Actual costs will be higher or lower than this "typical" value based on the complexity of the reporting facility or entity. Implementation of the regulation will also produce a cost savings for some reporters as a result of reduced requirements, or because some facilities will no longer be subject to reporting. Additional information on the facility cost analysis can be found in Chapter VI of the ISOR for this regulatory action.

Staff anticipates that the additional costs for reporting can be easily absorbed under existing operating expenses for most facilities and suppliers, even those for whom reporting is new. Facilities below 25,000 metric tons will be allowed to complete abbreviated reports without the need for new equipment or fuel sampling and testing, and do not need to contract with third-party verifiers. Suppliers of transportation fuels will be following established practices for tax law compliance. Verification costs will apply to suppliers, but because their reports are relatively simple, their costs should generally be lower than those of other reporting entities.

Electric power entities are not required to report to U.S. EPA, but currently report to ARB if they import power to California. Their reports will change under the proposed revised regulation, but costs should not increase. This is because much of the detailed data currently reported by electric power entities will no longer be required to be reported. Retail providers who are not importing or exporting power will report only retail sales figures. Importers and exporters will need to track

and report electricity transactions and calculate emissions, and they will also need to continue to contract with third-party verifiers. But, because reporting and verification has become part of the established business practices for these businesses, implementation of the proposed regulation should not produce cost increases, and in some cases it should lead to cost savings for reporters.

The Executive Officer has determined, pursuant to title 1, CCR, section 4, that the proposed regulatory action will affect small businesses. Staff estimates that approximately 185 small businesses may be affected in California. The proposed revised regulation is designed to minimize costs to these businesses by providing simplified emission estimation methods. Many of the affected small businesses will take advantage of abbreviated reporting and will not face verification costs. Based on the types of small business expected to be impacted and the kinds of GHG generating activities present at these facilities, the incremental reporting and verification costs for a typical small business subject to the regulation should be approximately \$4,000 for the first year and \$2,000 per year for future years.

Some public agencies could also be subject to GHG reporting, such as certain county or city owned sewage treatment works or landfills, various utility districts or publicly owned electricity providers, some State universities, prisons and other State facilities that emit more than 10,000 metric tons of CO₂e from stationary combustion sources. Most of California's public and private electricity retail providers will experience diminished reporting costs, as they will no longer need to compile data that was previously collected to support a load-based point of regulation. The Department of Water Resources will continue to have a reporting requirement related to imported power. The additional costs incurred by these State and local government agencies in total as a result of this regulatory proposal are not expected to be significant. A net savings for local agencies of approximately \$260,000 per year is expected, mostly due to reduced reporting requirements for municipal utilities.

As described above, the proposed regulatory action will impose a mandate upon and create costs to some local agencies. Because the regulatory requirements apply equally to all reporting categories and unique requirements are not imposed on local agencies, the Executive Officer has determined that the proposed regulatory action imposes no costs on local agencies that are required to be reimbursed by the state pursuant to part 7 (commencing with section 17500), division 4, title 2 of the Government Code, and does not impose a mandate on local agencies that is required to be reimbursed pursuant to Section 6 of Article XIII B of the California Constitution.

Adoption of the proposed revisions is expected to require new funding for ARB to administer the program. Approximately 2.0 staff members will be redirected from existing staffing to administer the new program beginning in FY2011/2012. In addition, approximately \$250,000 per year will be required over a three-year period for reporting system improvements as staff works to integrate State reporting with U.S. EPA reporting systems, and then an additional \$150,000 per year is needed on an ongoing basis for operations and maintenance of the reporting systems.

In accordance with Government Code section 11346.3, the Executive Officer has initially determined that the proposed regulatory action will not result in an elimination of jobs within the State of California, or the creation or elimination of existing businesses within the State. In fact, jobs were added as a result of the original reporting regulation because it created the need for technical support for developing GHG emissions estimates, providing laboratory and other services, and providing emission verification services. These existing jobs should be retained, and some new jobs may be created as the breadth of the current reporting regulation expands.

Pursuant to Government Code sections 11346.5(a)(5) and 11346.5(a)(6), the Executive Officer has determined that the proposed regulatory action would not create costs or savings in federal funding to the state, or costs or mandate to any school district whether or not reimbursable by the state pursuant to Part 7 (commencing with section 17500), division 4, title 2 of the Government Code.

In accordance with Government Code sections 11346.3(c) and 11346.5(a)(11), the Executive Officer has found that the reporting requirements of the regulation which apply to businesses are necessary for the health, safety, and welfare of the people of the State of California.

Before taking final action on the proposed regulatory action, the Board must determine that no reasonable alternative considered by the Board or that has otherwise been identified and brought to the attention of the Board, would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons than the proposed action.

SUBMITTAL OF COMMENTS

Interested members of the public may present comments relating to this matter orally or in writing at the hearing, and comments may also be submitted by postal mail or electronic submittal before the hearing. The public comment period for this regulatory item will begin on November 1, 2010. To be considered by the

Board, written submissions not physically submitted at the hearing must be submitted on or after November 1, 2010, and received **no later than 12:00 noon, December 15, 2010**, and must be addressed to the following:

Postal Mail: Clerk of the Board, Air Resources Board
1001 I Street, Sacramento,
California 95814

Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

To ensure that your comment will be available for consideration it is important that your comment is received by the deadline.

Please note that under the California Public Records Act (Government Code section 6250 et seq.), your written and oral comments, attachments, and associated contact information becomes part of the public record and can be released to the public upon request. This includes personal information provided with your comments, such as your home address, your home phone number, and your personal email address. Additionally, your comments, attachments, and associated contact information may become available via Internet search engines.

The Board requests, but does not require, that 20 copies of any written statement be submitted and that all written statements be filed at least 10 days prior to the hearing so that ARB staff and Board Members have time to fully consider each comment. The Board encourages members of the public to bring to the attention of staff in advance of the hearing any suggestions for modification of the proposed regulatory action.

STATUTORY AUTHORITY AND REFERENCES

This regulatory action is proposed under that authority granted in Health and Safety Code, sections 38510, 38530, 38580, 39600, 39601, 39607, 39607.4, and 41511. This action is proposed to implement, interpret and make specific sections 38530, 38580, 39600, 39607, 39607.4, and 41511 of the Health and Safety Code.

HEARING PROCEDURES

The public hearing will be conducted in accordance with the California Administrative Procedure Act, title 2, division 3, part 1, chapter 3.5 (commencing with section 11340) of the Government Code.

Following the public hearing, the Board may adopt the regulatory language as originally proposed or with nonsubstantial or grammatical modifications. The Board may also adopt the proposed regulatory language

with other modifications if the text as modified is sufficiently related to the originally proposed text that the public was adequately placed on notice that the regulatory language as modified could result from the proposed regulatory action. In the event that such modifications are made, the full regulatory text, with the modifications clearly indicated, will be made available to the public for written comment at least 15 days before it is adopted.

The public may request a copy of the modified regulatory text from ARB's Public Information Office, Air Resources Board, 1001 I Street, Visitors and Environmental Services Center, First Floor, Sacramento, California, 95814, (916) 322-2990.

SPECIAL ACCOMMODATION REQUEST

Special accommodation or language needs can be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format (i.e., Braille, large print, etc.) or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Comodidad especial o necesidad de otro idioma puede ser proveído para alguna de las siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alterno (por decir, sistema Braille, o en impresión grande) u otro idioma.
- Una acomodación razonable relacionados con una incapacidad.

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 10 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Re-transmisión de Mensajes de California.

TITLE 19. OFFICE OF THE STATE FIRE MARSHAL

NOTICE OF PROPOSED RULEMAKING

The State Fire Marshal proposes to adopt the proposed regulations described below after considering all

comments, objections or recommendations regarding the proposed action.

WRITTEN COMMENT PERIOD

The State Fire Marshal will accept written comments regarding this regulatory action from October 29, 2010 until 5:00 p.m. on December 13, 2010. Please address your comments to:

OFFICE OF THE STATE FIRE MARSHAL

Attention: Diane Arend
P.O. Box 944246
Sacramento, CA 94244-2460
Or by e-mail to
diane.arend@fire.ca.gov

Or you may fax your comments to:

Attention: Diane Arend
(916) 327-4998

PUBLIC HEARING

The State Fire Marshal has not scheduled a public hearing on this proposed action. However, the State Fire Marshal will hold a public hearing if a written request is received from any interested party or their authorized representative no later than 15 days before the end of the 45-day comment period.

AUTHORITY & REFERENCE

The State Fire Marshal is proposing this regulatory action pursuant to Health and Safety Code Section 13160 with reference to 13160, Health and Safety Code.

INFORMATIVE DIGEST — POLICY STATEMENT OVERVIEW

The State Fire Marshal is proposing to:

- 1) Amend Section 557.19 to add a definition for "Service Vehicle",
- 2) Amend Section 560.4 to require licensed portable fire extinguisher concerns to mark their company vehicles so that the company's business information is clearly visible on the vehicle,
- 3) Renumber existing Sections 560.4, 560.5 and 560.6 to accommodate the amendment to Section 560.4.

Health and Safety Code Section 13160 mandates the State Fire Marshal to adopt regulation to control the servicing, including charging, and testing, of all porta-

ble fire extinguishers for controlling and extinguishing fires, and for controlling the sale and marketing of all such devices with respect to conformance with standards of their use, capacity, and effectiveness.

There currently exists a problem with a number of fire extinguisher service companies/individuals engaging in fraudulent business practices by claiming to be affiliated with a fire department or otherwise misrepresenting or not correctly identifying themselves and/or the company they represent. By amending the regulations to require fire extinguisher service vehicles to identify the business name, license and phone number, it will allow the consumer or local fire department to easily determine affiliation of the technician and eliminate the majority of these misrepresentations.

The State Fire Marshal utilized the State Fire Marshal Fire Extinguisher Advisory Committee and the California State Firefighters Association to analyze the proposed amendments and they concur with the proposed amendments.

DISCLOSURES REGARDING THE PROPOSED ACTION

The State Fire Marshal has made the following determinations:

1. Mandate on local agencies and school districts: **None**
2. Cost or savings to any other State agency: **None**
3. Cost to any local agency or school district which must be reimbursed in accordance with Government Code, Sections 17500-17630: **None**
4. Other non-discretionary cost or savings imposed upon local agencies: **None**
5. Cost or savings in federal funding to the State: **None**
6. Significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other States: **None**
7. Cost impact on private persons or directly affected businesses: The State Fire Marshal is not aware of any cost impacts that a representative private person or business would necessarily incur in reasonable compliance with the proposed action.

Adoption of these regulations will not:

- a) create or eliminate jobs within California;
- b) create new businesses or eliminate existing businesses within California; or
- c) affect the expansion of businesses currently doing business within California.
8. Significant effect on housing costs: **None**

SMALL BUSINESS EFFECTS

The State Fire Marshal has made the initial determination that the amendments to these regulations will have no substantial effect to small businesses and the State Fire Marshal has not identified any alternatives that would lessen any adverse impact, if any, on small businesses. There is no effect on small business because small businesses are not involved in the enforcement of vehicle markings for these fire extinguisher companies.

CONSIDERATION OF ALTERNATIVES

The State Fire Marshal must determine that no reasonable alternative considered or that has otherwise been identified and brought to its attention would be more effective in carrying out the purpose for which the action is proposed or would be as effective and less burdensome to affected private persons or businesses than the proposed action.

The State Fire Marshal invites interested persons to present statements or arguments with respect to alternatives to the proposed regulations during the written comment period.

CONTACT PERSON

Inquiries concerning the proposed regulatory action, or requests for copies of the proposed text of the regulations, the initial statement of reasons, the modified text of the regulations, or other information upon which the rulemaking is based may be directed to:

Diane Arend, Senior Deputy State Fire Marshal
P.O. Box 944246
Sacramento, CA 94244-2460
Or by e-mail to
diane.arend@fire.ca.gov

Or you may fax your comments to:

Attention: Diane Arend
(916) 327-4998

Alternate Contact:

James Parsegian, Senior Deputy State Fire Marshal
P.O. Box 944246
Sacramento, CA 94244-2460
Telephone: (916) 445-8415
E-mail: james.parsegian@fire.ca.gov

AVAILABILITY OF STATEMENT OF REASONS AND TEXT OF PROPOSED REGULATIONS

The Office of the State Fire Marshal will have the entire rulemaking file available for inspection and copy-

ing throughout the rulemaking process at its office, shown above. As of the date this notice is published in the Notice Register, the State Fire Marshal rulemaking file consists of this notice, the proposed text of the regulations, and the initial statement of reasons for the proposed action. The full text of the regulations, along with the final statement of reasons upon which the changes are based is available from the contact person as shown. Copies may be obtained by contacting Diane Arend at the address or telephone number listed above.

AVAILABILITY OF CHANGED OR MODIFIED TEXT

Following the 45-day comment period, the State Fire Marshal may adopt the proposed regulations substantially as described in this notice. If modifications are made which are sufficiently related to the originally proposed text, the modified text — with changes indicated — shall be made available to the public for at least 15 days before the State Fire Marshal adopts (amends or repeals) the regulations as revised. Requests for copies of any modified regulations should be sent to Diane Arend at the address indicated above. The State Fire Marshal will accept written comments on the modified regulations for 15 days after the date on which they are made available.

AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, copies of the Final Statement of Reasons may be obtained by contacting Diane Arend at the above address.

AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the Notice of Proposed Action, the Initial Statement of Reasons and the text of proposed regulations, highlighted in underline and strikeout, can be accessed through our web-site at <http://osfm.fire.ca.gov>.

GENERAL PUBLIC INTEREST

DEPARTMENT OF FISH AND GAME

CALIFORNIA ENDANGERED SPECIES ACT CONSISTENCY DETERMINATION NO. 2080-2010-052-03

Project: Hearn Avenue Veterans' Housing Project
in the City of Santa Rosa
Location: Sonoma County

Applicant: Community Housing Sonoma County

Notifier: Ted Winfield

Background

Community Housing Sonoma County (Applicant) proposes to create transitional housing for previously homeless United States Veterans. The Hearn Avenue Veterans' Housing Project in the City of Santa Rosa (Project) includes rehabilitation and remodeling of a currently vacant facility on a 2.6-acre parcel located at 2149 West Hearn Avenue. The Project will add a small addition to the north side of the existing building to replace existing bed spaces lost during the remodeling. The Project site has a paved driveway with a compacted gravel circular roundabout and a cement walkway along the western and northern portion of the site. The construction staging area is proposed to be on the compacted gravel roundabout. The existing on-site sewer system is failing and a new system can not be installed on-site. The sewer system will be extended to the City's sewer system located adjacent on the north side of the Project site. The City's sewer will be extended diagonally across the Project site from the northwest corner to the existing duplex and licensed residential care facility in a 6- and 8-inch pipe for a total length of 404 feet. The existing water lines from the well tank to the facilities, totaling 142 lineal feet, will be replaced. The existing decks and ramps will be increased by 1,400 square feet and 185 square feet of new concrete walks will be installed at the residential facility.

The Project activities described above are expected to incidentally take California tiger salamander (*Ambystoma californiense*) where activities will occur on the approximately 0.08 acre of suitable upland California tiger salamander habitat on the Project site. In particular, California tiger salamander could be incidentally taken as a result of being crushed and/or entombed in burrows. The Sonoma County Distinct Population Segment of the California tiger salamander is designated as an endangered species under the Federal Endangered Species Act (ESA) (16 U.S.C. § 1531 et seq.) and as a threatened species throughout its range in California under the California Endangered Species Act (CESA) (Fish & G. Code, § 2050 et seq.). (See Cal. Code Regs., tit. 14, § 670.5, subd. (b)(3)(G).)

California tiger salamander individuals are documented as present within 2,200 feet from the Project site and there is suitable California tiger salamander upland habitat within and adjacent to the Project site. Because of the proximity of the nearest documented California tiger salamander, dispersal patterns of California tiger salamander, and the presence of suitable California tiger salamander habitat within the Project site, the United States Fish and Wildlife Service (Service) deter-

mined that California tiger salamander is reasonably certain to occur within the Project site and that Project activities are expected to result in the incidental take of California tiger salamander. According to the Service, the Project will result in the permanent loss of 0.08 acre of suitable upland habitat for California tiger salamander.

Because the Project is expected to result in take of a species designated as endangered under the federal ESA, the United States Department of Housing and Urban Development (HUD) consulted with the Service as required by the ESA. On September 21, 2010, the Service issued a biological opinion (BO) (Service file No. 81420-2010-F-0154) to the HUD. The BO describes the Project, requires the Applicant to comply with terms of the BO and its incidental take statement (ITS), and incorporates additional measures.

On September 27, 2010 the Director of the Department of Fish and Game (DFG) received a notice from Ted Winfield, on behalf of the Applicant, requesting a determination pursuant to Fish and Game Code section 2080.1 that the BO and its related ITS are consistent with CESA for purposes of the Project. (Cal. Reg. Notice Register 2010, No. 41-Z, p. 1641.)

Determination

DFG has determined that the BO, including the ITS, is consistent with CESA as to the Project and California tiger salamander because the mitigation measures contained in the BO and ITS meet the conditions set forth in Fish and Game Code section 2081, subdivisions (b) and (c), for authorizing incidental take of CESA-listed species. Specifically, DFG finds that: (1) take of California tiger salamander will be incidental to an otherwise lawful activity; (2) the mitigation measures identified in the BO and ITS will minimize and fully mitigate the impacts of the authorized take; (3) adequate funding is ensured to implement the required avoidance minimization and mitigation measures and to monitor compliance with, and effectiveness of those measures; and (4) the Project will not jeopardize the continued existence of California tiger salamander. The mitigation measures in the BO and ITS include, but are not limited to, the following:

Avoidance, Minimization, and Mitigation Measures

- Applicant has mitigated for the loss of California tiger salamander habitat with the purchase of 0.16 acre of California tiger salamander mitigation credits at the Alton North Conservation Bank.
- A trained biological monitor(s) will be present at all times when work is in progress at the Project site. A Serviced and DFG-approved biologist will be responsible for appropriate training of the monitor(s).

- If California tiger salamander are found on the Project site by a construction worker, the worker will immediately inform the biological monitor. All work will halt immediately and machinery turned off within 100 feet of the California tiger salamander. The biologist will capture and remove the California tiger salamander from the work area.
- Before the start of work each morning, the biological monitor will check for animals under any equipment such as vehicles and stored pipes.
- Construction workers will be given a training session by a Service and DFG–approved biologist before work is started. After the initial training session, all new personnel will also be given a training session. This training session will include pictures of California tiger salamander, information on the biology of California tiger salamander, the measures required to protect California tiger salamander, federal and state regulations, and what to do if California tiger salamander is found.
- Applicant will enclose all food and food–related trash in sealed trash containers and will remove the containers completely from the site once every three days.
- Applicant will maintain all equipment so there will be no leaks of automotive fluids such as gasoline, oils, or solvents.
- Applicant will store hazardous materials in sealable containers in a designated location at least 200 feet from aquatic habitats.
- The clearing and grading at the Project site will start between April 15 and October 15 of any given year.

Monitoring and Reporting Measures

- A record of all California tiger salamanders observed and the outcome of that observation will be kept by the biologist and submitted to the Service and DFG.
- The Service must be notified within 24 hours of the finding of any injured or dead California tiger salamander, or any unanticipated damage to its habitat associated with the proposed action.

Financial Assurances

- Applicant has provided financial assurances consistent with CESA, in the form of a completed purchase of 0.16 acre of mitigation credits from

the Alton North Conservation Bank as documented by a September 22, 2010 bill of sale provided to DFG.

Pursuant to Fish and Game Code section 2080.1, take authorization under CESA is not required for the Project for incidental take of California tiger salamander, provided the Applicant implements the Project as described in the BO, including adherence to all measures contained therein, and complies with the mitigation measures and other conditions described in the BO and ITS. If there are any substantive changes to the Project, including changes to the mitigation measures, or if the Service amends or replaces the BO and ITS, the Applicant shall be required to obtain a new consistency determination or a CESA incidental take permit for the Project from DFG (see generally Fish & G. Code, §§ 2080.1, 2081, subds. (b) and (c)).

DEPARTMENT OF PUBLIC HEALTH

NOTICE IS HEREBY GIVEN that the California Department of Public Health, Center for Health Care Quality, Licensing & Certification Program (hereinafter referred to as the “Department”), pursuant to GC Section 11346.45, is inviting interested parties to participate in a public discussion and submit statements and comments regarding the substance of regulations governing Medical Information Breaches described in Health & Safety Code Section 1280.15 prior to the start of the formal rulemaking process.

Any person interested may present statements orally or in writing relevant to these issues at a pre–notice meeting to be held at the **East End Complex Auditorium, 1500 Capitol Ave., Sacramento, California 95814 at 8:30 a.m., Tuesday, December 14, 2010.**

Written comments, including those sent by mail, facsimile, or e–mail to the address listed under Contact Persons in this Notice, must be received by the Department at its office not later than 5:00 p.m. on Monday, December 13, 2010, or must be received at the meeting.

The meeting is accessible to the physically disabled. A person who needs a disability–related accommodation or modification in order to participate in the meeting may make a request by contacting Edwin Hoffmark at (800) 236–9747, or email RNUnit@cdph.ca.gov, or send a written request to the Department at PO Box 997377; MS 3201, Sacramento, CA 95899–7337. Providing your request at least seven (7) business days before the meeting will help to ensure availability of the requested accommodation.

Contact Persons:

Jennifer Hoke, Chief of Certification & Regulations
OR
Edwin Hoffmark, RN Unit Chief

CDPH, Licensing & Certification
PO Box 997377; MS 3201
Sacramento, CA 95899-7377
Fax: (916) 324-4820
Email: RNUnit@cdph.ca.gov
Phone: 1-800-236-9747

FISH AND GAME COMMISSION

NOTICE OF RECEIPT OF PETITION

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Section 2073.3 of the Fish and Game Code, the California Fish and Game Commission, on October 1, 2010 received a petition from the John Muir Project of Earth Island Institute and the Center for Biological Diversity to list the Black-backed Woodpecker (*Picoides arcticus*) as threatened or endangered under the California Endangered Species Act.

Black-backed Woodpeckers occur in a wide variety of conifer-forest types, but the greatest densities typically occur in unlogged, intensely burned conifer forests.

Pursuant to Section 2073 of the Fish and Game Code, on October 11, 2010 the Commission transmitted the petition to the Department of Fish and Game for review pursuant to Section 2073.5 of said code. It is anticipated that the Department's evaluation and recommendation relating to the petition will be received by the Commission at its February or March 2011 meeting. Interested parties may contact Dr. Eric Loft, Wildlife Branch, Department of Fish and Game, 1812 Ninth Street, Sacramento, CA 95811, or telephone (916) 445-3555 for information on the petition or to submit information to the Department relating to the petitioned species.

OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD

NOTICE OF PUBLIC MEETING/BUSINESS MEETING OF THE OCCUPATIONAL SAFETY AND HEALTH STANDARDS BOARD

Pursuant to Government Code Section 11346.4 and the provisions of Labor Code Sections 142.1, 142.2,

142.3, 142.4, and 144.6, the Occupational Safety and Health Standards Board of the State of California has set the time and place for a Public Meeting and Business Meeting:

PUBLIC MEETING: On **December 16, 2010**, at 10:00 a.m.
in the Auditorium of the State Resources Building,
1416 9th Street, Sacramento, California 92101.

At the Public Meeting, the Board will make time available to receive comments or proposals from interested persons on any item concerning occupational safety and health.

BUSINESS MEETING: On **December 16, 2010**, following the Public Meeting,
in the Auditorium of the State Resources Building,
1416 9th Street, Sacramento, California 92101.

At the Business Meeting, the Board will conduct its monthly business.

DISABILITY ACCOMMODATION NOTICE

Disability accommodation is available upon request. Any person with a disability requiring an accommodation, auxiliary aid or service, or a modification of policies or procedures to ensure effective communication and access to the public hearings/meetings of the Occupational Safety and Health Standards Board should contact the Disability Accommodation Coordinator at (916) 274-5721 or the state-wide Disability Accommodation Coordinator at 1-866-326-1616 (toll free). The state-wide Coordinator can also be reached through the California Relay Service, by dialing 711 or 1-800-735-2929 (TTY) or 1-800-855-3000 (TTY-Spanish).

Accommodations can include modifications of policies or procedures or provision of auxiliary aids or services. Accommodations include, but are not limited to, an Assistive Listening System (ALS), a Computer-Aided Transcription System or Communication Access Realtime Translation (CART), a sign-language interpreter, documents in Braille, large print or on computer disk, and audio cassette recording. Accommodation requests should be made as soon as possible. Requests for an ALS or CART should be made no later than five (5) days before the hearing.

SUMMARY OF REGULATORY ACTIONS

REGULATIONS FILED WITH SECRETARY OF STATE

This Summary of Regulatory Actions lists regulations filed with the Secretary of State on the dates indicated. Copies of the regulations may be obtained by contacting the agency or from the Secretary of State, Archives, 1020 O Street, Sacramento, CA 95814, (916) 653-7715. Please have the agency name and the date filed (see below) when making a request.

File# 2010-0907-02

AIR RESOURCES BOARD

Portable Diesel Engines & Diesel Engines On/Off Road

This action adds two engine water well drilling rigs to the list of diesel fueled vehicles and off road engines exempt from certain emissions reductions regulations; amends the portable engine and equipment registration regulations to allow these drill rigs to participate in that and to allow all participants exemption from the program's emission limitations for a limited number of engines until December 31, 2010; and amends the airborne toxic control measure for diesel smoke to exclude two engine water well drilling rigs and to allow exemption from that program's emission limitations for a limited number of engines until December 31, 2010 as well.

Title 13, 17

California Code of Regulations

AMEND: Title 13: 2025, 2449, 2449.3, 2452, 2453, 2456, 2458, 2460, 2461, 2462 and Title 17: 93116.1, 93116.2, 93116.3

Filed 10/19/2010

Effective 10/19/2010

Agency Contact: Amy Whiting (916) 322-6533

File# 2010-0914-03

AIR RESOURCES BOARD

High Global Warming Potential Refrigerants

In this regulatory action, the Air Resources Board adopts new regulations pertaining to the "Management of High Global Warming Potential Refrigerants for Stationary Sources." The purpose of these regulations is to reduce emissions of high global warming potential (high-GWP) refrigerants from stationary, non-residential refrigeration equipment and from the installation and servicing of stationary refrigeration and air-conditioning appliances using high-GWP refrigerants. These regulations implement provisions of the Califor-

nia Global Warming Solutions Act of 2006 (AB 32, Chapter 488, Statutes of 2006).

Title 17

California Code of Regulations

ADOPT: 95380, 95381, 95382, 95383, 95384, 95385, 95386, 95387, 95388, 95389, 95390, 95391, 95392, 95393, 95394, 95395, 95396, 95397, 95398

Filed 10/20/2010

Effective 11/19/2010

Agency Contact: Amy Whiting (916) 322-6533

File# 2010-1008-02

BOARD OF EDUCATION

California High School Exit Examination (CAHSEE) Alternative Means

The Board of Education submitted this emergency action to adopt title 5, California Code of Regulations, section 1216.1, to extend the 1/1/2011 statutory deadline for implementing alternative means for eligible students with disabilities to pass the California high school exit examination (CAHSEE). Pursuant to Education Code sec. 60852.2(b), the adoption of section 1216.1 will extend the 1/1/2011 deadline to 7/1/2012.

Title 5

California Code of Regulations

ADOPT: 1216.1

Filed 10/18/2010

Effective 10/18/2010

Agency Contact: Connie Diaz (916) 319-0584

File# 2010-0910-01

BOARD OF EQUALIZATION

Timber Land

This action updates an existing provision (Section 1020) classifying timberlands into "timber value areas" as required by Revenue and Taxation Code section 38204. The action also repeals a post-Proposition 13 regulation (Section 471) which clarified "how timberland zoned under the provisions of Government Code section 51110 and 51113 should be assessed for property tax purposes."

Title 18

California Code of Regulations

AMEND: 1020 REPEAL: 471

Filed 10/18/2010

Effective 11/17/2010

Agency Contact:

Richard E. Bennion (916) 445-2130

File# 2010-0929-02

BOARD OF PILOT COMMISSIONERS

Conflict-of-Interest Code

The Board of Pilot Commissioners for the Bays of San Francisco, San Pablo, and Suisun is amending its

conflict of interest code found at title 7, section 212.5, California Code of Regulations. The changes were approved for filing by the Fair Political Practices Commission on September 1, 2010.

Title 7
California Code of Regulations
AMEND: 212.5
Filed 10/13/2010
Effective 11/12/2010
Agency Contact: Gabor Morocz (916) 324-7505

File# 2010-0909-01
BUREAU OF AUTOMOTIVE REPAIR
Consumer Assistance Program Revisions

The Bureau of Automotive Repair (BAR) submitted this regulatory action, amending sections 3394.3, 3394.4, and 3394.6 of title 16 of the California Code of Regulations, to reflect recent changes to the Consumer Assistance Program (CAP). Specifically, the changes include limiting owner participation in the Repair Assistance option under the CAP to one time per registered owner of a particular vehicle, modifying CAP eligibility requirements to reflect new federal poverty guidelines, and updating the CAP Application to include all regulatory changes and be shorter and more user-friendly.

Title 16
California Code of Regulations
AMEND: 3394.3, 3394.4, 3394.6
Filed 10/18/2010
Effective 11/17/2010
Agency Contact: Steven Hall (916) 255-2135

File# 2010-0903-02
COMMISSION ON TEACHER CREDENTIALING
English Learner and Bilingual Authorizations

This rulemaking action implements Assembly Bill 1871 (Chapter 660, Statutes of 2008) through amendments to regulations in Title 5 of the California Code of Regulations concerning authorization to teach English to English learners. The rulemaking action amends provisions regarding the requirements for and alternative paths to earning a bilingual authorization or an English learner authorization.

Title 5
California Code of Regulations
AMEND: 80015, 80015.1, 80015.2, 80015.3, 80015.4, 80021, 80021.1, 80024.7, 80024.8
Filed 10/18/2010
Effective 11/17/2010
Agency Contact:
Tammy A. Duggan (916) 323-5354

File# 2010-1007-02
DEPARTMENT OF FOOD AND AGRICULTURE
European Grapevine Moth Interior Quarantine

This is the first readopt of two prior emergency regulatory actions: OAL file nos. 2010-0506-06E and 2010-0520-02E. The two prior emergency actions created new or expanded current quarantine areas for the European Grapevine Moth (EGVM), *Lobesia botrana*, in the counties of Fresno, Mendocino, Merced, Napa, Solano and Sonoma. The first emergency action expanded the existing regulated areas in Napa, Solano and Sonoma counties by approximately 827 miles, and created new regulated areas in Fresno County of approximately 96 square miles and in Mendocino County of approximately 140 square miles. The total regulated area at that time of approximately 332 square miles was expanded by approximately 1063 square miles for a total of approximately 1395 square miles. The second emergency action expanded the quarantine areas for the EGVM in the new areas of Merced, Mendocino, Solano and Sonoma counties. The second emergency action expanded the existing regulated areas in Napa, Solano and Sonoma counties by approximately 74 square miles, and in Mendocino County by approximately 39 square miles and established a new quarantine area of approximately 108 square miles in Merced County for a total of approximately 1,616 square miles. It is necessary to continue these quarantine actions in order to prevent the artificial spread of EGVM to the uninfested areas of California.

Title 3
California Code of Regulations
AMEND: 3437(b)
Filed 10/18/2010
Effective 10/18/2010
Agency Contact: Susan McCarthy (916) 654-1017

File# 2010-0903-03
DEPARTMENT OF MENTAL HEALTH
Medi-Cal Mental Health Plans (MHP) Contractual Obligations

This regulatory action deals with the Medi-Cal Specialty Mental Health Services Consolidation Waiver Program where mental health plans (MHP) are required to contract with the Department for the provisions of specialty mental health services to Medi-Cal recipients.

Title 9
California Code of Regulations
ADOPT: 1810.326, 1810.376, 1810.439
AMEND: 1810.317, 1810.321, 1810.323, 1810.345, 1810.350, 1810.360, 1810.365, 1810.375, 1810.380, 1810.425, 1810.430, 1810.435, 1810.436, 1810.438, 1820.220,

1820.225, 1830.215, 1840.112, 1850.213
Filed 10/18/2010
Effective 11/17/2010
Agency Contact:
Stephanie L. Fields (916) 651-1446

File# 2010-0831-04
DEPARTMENT OF PUBLIC HEALTH
Medical Use of Radioactive Material

This action amends the Department of Public Health's regulations concerning the possession and use of radioactive materials in medicine to maintain continuing compatibility with the Nuclear Regulatory Commission's regulations and update the authority and reference citations, including the change from the Department of Health Services to the CDPH.

Title 17
California Code of Regulations
AMEND: 30100, 30195
REPEAL: 30321, 30321.1, 30322
Filed 10/13/2010
Effective 01/01/2011
Agency Contact: Linda M. Cortez (916) 440-7683

File# 2010-0901-04
DIVISION OF JUVENILE JUSTICE
Acceptance & Rejection Criteria Youth with Medical or Mental Health

This regulatory action amends some sections and adopts some sections in Title 15 of the California Code of Regulations. This rulemaking clarifies and specifies the criteria for the Division of Juvenile Justice (DJJ) to accept youths into the DJJ. DJJ can only accept youths if they can be materially benefited by the rehabilitative and education programs at DJJ. This rulemaking also makes clear how DJJ will determine whether to accept or reject youth with medical or mental health conditions. Youth with complex medical conditions or serious mental health care needs might not materially benefit from the rehabilitative and educational programs of DJJ.

Title 15
California Code of Regulations
ADOPT: 4168.7, 4171.5 AMEND: 4166, 4168, 4168.5, 4169, 4169.5, 4169.9, 4170.5, 4171, 4173, 4174, 4174.5, 4174.6 REPEAL: 4172
Filed 10/14/2010
Effective 11/13/2010
Agency Contact: Phyllis Green (916) 262-3178

File# 2010-1007-06
OFFICE OF REAL ESTATE APPRAISERS
Appraisal Management Company Registration (SB 237)

This regulatory action implements SB 237 (Chapter 173, Statutes of 2009) which requires Appraisal Management Companies, effective January 1, 2010, to register with the Office of Real Estate Appraisers (OREA) in order to administer appraisals connected to California property.

Title 10
California Code of Regulations
ADOPT: 3575, 3576, 3577 AMEND: 3500, 3522, 3523, 3524, 3526, 3527, 3528, 3529, 3530, 3582, 3681, 3702, 3703, 3721, 3724, 3726, 3728, 3731, 3741
Filed 10/18/2010
Effective 10/18/2010
Agency Contact:
Kathleen Chovan (916) 341-6126

File# 2010-0907-01
STATE COASTAL CONSERVANCY
Conflict-of-Interest Code

This is a conflict of interest code amendment that was approved by the Fair Political Practices Commission and submitted to OAL for filing with the Secretary of State and printing in the California Code of Regulations only.

Title 14
California Code of Regulations
AMEND: 13800
Filed 10/18/2010
Effective 10/18/2010
Agency Contact:
Jonathon Gurish (510) 873-6431

**CCR CHANGES FILED
WITH THE SECRETARY OF STATE
WITHIN May 19, 2010 TO
October 20, 2010**

All regulatory actions filed by OAL during this period are listed below by California Code of Regulations titles, then by date filed with the Secretary of State, with the Manual of Policies and Procedures changes adopted by the Department of Social Services listed last. For further information on a particular file, contact the person listed in the Summary of Regulatory Actions section of the Notice Register published on the first Friday more than nine days after the date filed.

Title 2

10/11/10 ADOPT: 599.937.4
 10/07/10 AMEND: 51.1
 10/07/10 AMEND: 51.2(u)
 10/07/10 AMEND: div. 8, ch. 46, sec. 53500
 10/05/10 AMEND: div. 8, ch. 79, sec. 56800
 10/05/10 ADOPT: 1859.172 AMEND: 1859.162.3, 1859.171
 10/04/10 AMEND: 1859.2, 1859.81
 10/04/10 ADOPT: 642, 643, 644, 645 AMEND: 640, 641
 09/27/10 AMEND: 18942, 18944.1
 09/07/10 AMEND: Renaming of headings only, as follows: Article 4 of Chapter 1 to new Subchapter 1.2; Subarticles 1–10 of new Subchapter 1.2 to new Articles 1–10; and Chapters 1–5 of new Article 6 to new Subarticles 1–5.
 09/02/10 ADOPT: 60804.1, 60815.1, 60820.1, 60855, 60856, 60857, 60858, 60859, 60860, 60861, 60862, 60863 AMEND: 60841, 60846, 60853 REPEAL: 60855
 09/01/10 AMEND: 234, 548.70
 09/01/10 AMEND: 234, 548.70
 08/18/10 ADOPT: 51.3, 52.1, 52.2, 52.3, 52.5, 52.8, 52.10, 53.1, 53.2, 53.3, 53.4, 54.1, 55.1, 56.1, 56.2, 56.3, 56.4, 57.1, 57.2, 58.1, 58.2, 58.6, 58.7, 58.9, 58.10, 58.11, 59.2, 59.3, 59.4, 60.1, 63.1, 64.1, 64.2, 64.3, 64.4, 64.5, 64.6 AMEND: 51 (renumbered to 51.1), 51.1 (renumbered to 51.2), 51.2 (renumbered to 52.4), 52.3 (renumbered to 52.6), 51.9 (renumbered to 52.7), 51.5 (renumbered to 52.9), 52.6 (renumbered to 55.2), 52.2 (renumbered to 58.3), 51.4 (renumbered to 58.4), 52.1 (renumbered to 58.5), 57.2 (renumbered to 59.1), 52.5 (renumbered to 60.2), 57.3 (renumbered to 60.3), 53.1 (renumbered to 66.1), 56 (renumbered to 67.1), 56.1 (renumbered to 67.2), 56.2 (renumbered to 67.3), 56.3 (renumbered to 67.4), 56.4 (renumbered to 67.5), 56.5 (renumbered to 67.6), 56.6 (renumbered to 67.7), 56.7 (renumbered to 67.8) REPEAL: 51.3, 52, 52.4, 53, 53.2, 54, 54.2, 56.8, 57.1, 57.4, 60, 60.1, 60.2, 60.3, 60.4, 60.5, 60.6, 60.7, 60.8, 60.9, 60.10, 65, 547, 547.1
 08/13/10 AMEND: 18707
 07/08/10 AMEND: 18313.5(c)
 07/06/10 AMEND: 51000
 07/01/10 AMEND: 1859.90.1
 06/24/10 ADOPT: 1859.90.1 AMEND: 1859.90.1 renumbered as 1859.90.2, 1859.129, 1859.197

06/24/10 AMEND: 47000, 47001, 47002
 06/23/10 AMEND: 1859.184
 06/17/10 AMEND: 18703.3
 06/17/10 ADOPT: 18313.5
 06/09/10 AMEND: Div. 8, Ch. 64, Sec. 55300
 05/25/10 AMEND: div. 8, ch. 65, sec. 55400

Title 3

10/18/10 AMEND: 3437(b)
 10/11/10 AMEND: 3558(a)
 10/11/10 AMEND: 3855
 10/06/10 ADOPT: 1391, 1391.1, 1391.2, 1391.3, 1391.4 AMEND: 1391 (renumbered to 1391.5), 1391.1 (renumbered to 1391.6)
 10/01/10 AMEND: 3434(b)
 09/27/10 AMEND: 3
 09/27/10 AMEND: 3437
 09/22/10 AMEND: 3591.20(a)
 09/14/10 AMEND: 3434(b)
 09/13/10 ADOPT: 3437
 09/09/10 AMEND: 3434(b)
 09/02/10 AMEND: 3425(b)
 08/26/10 AMEND: 3406(b)
 08/26/10 AMEND: 3406(b)
 08/26/10 AMEND: 3434(b) & (c)
 08/26/10 ADOPT: 6531 AMEND: 6502, 6511, 6530
 08/24/10 AMEND: 3700(c)
 08/19/10 AMEND: 3423(b)
 08/17/10 AMEND: 3437
 08/16/10 AMEND: 3425(b) and (c)
 08/13/10 AMEND: 3591.15(a) and (b)
 08/11/10 AMEND: 3437
 08/05/10 AMEND: 3423(b)
 07/26/10 AMEND: 3435(c)
 07/20/10 AMEND: 3437
 07/16/10 AMEND: 3434(b) and (c)
 07/13/10 AMEND: 3591.20(a)
 07/07/10 ADOPT: 3591.24
 07/01/10 AMEND: 3437
 06/30/10 AMEND: 3423(b)
 06/18/10 AMEND: 6448, 6448.1, 6449, 6449.1, 6450, 6450.1, 6450.2, 6451, 6451.1
 06/10/10 ADOPT: 429, 430 AMEND: 441
 06/10/10 ADOPT: 3024.5, 3024.6, 3024.7, and 3024.8 AMEND: 3024, 3024.1, 3024.2, 3024.3, 3024.4, and 4603
 06/09/10 AMEND: 3434(b), (c), (d), and (e)
 06/07/10 AMEND: 4500
 06/02/10 AMEND: 3435
 06/01/10 AMEND: 3437(b)
 05/24/10 AMEND: 3434(b)

Title 4

10/04/10 ADOPT: 10030, 10031, 10032, 10033, 10034, 10035, 10036

CALIFORNIA REGULATORY NOTICE REGISTER 2010, VOLUME NO. 44-Z

09/29/10	AMEND: 8070, 8072, 8073, 8074	08/30/10	ADOPT: 30960, 30961, 30962, 30963, 30964
09/15/10	AMEND: 10323	08/24/10	REPEAL: 18015
09/09/10	AMEND: 1766	08/20/10	AMEND: 80001
09/09/10	AMEND: 10152, 10153, 10154, 10155, 10156, 10157, 10158, 10159, 10160, 10161, 10162, 10164	08/19/10	ADOPT: 59204.1
08/30/10	ADOPT: 213.2 AMEND: 211, 213, 293, 405	08/19/10	ADOPT: 11967.6.1 AMEND: 11967.6
08/20/10	AMEND: 130	08/09/10	ADOPT: 30010, 30011, 30012, 30013, 30014, 30015, 30016, 30017, 30018, 30019, 30034, 30035, 30036, 30037, 30038, 30039, 30040, 30041, 30042, 30043, 30044, 30045, 30046 AMEND: 30000, 30001, 30002, 30005, 30020, 30021, 30022, 30023, 30030, 30032, 30033
08/16/10	AMEND: 1689	08/02/10	ADOPT: 4700, 4701, 4702
07/29/10	ADOPT: 5170, 5180, 5181, 5182, 5183, 5190, 5191, 5192, 5193, 5194, 5200, 5210, 5211, 5212, 5220, 5230, 5231, 5232, 5240, 5250, 5260, 5265, 5266, 5267, 5268, 5269, 5270, 5275, 5280, 5281, 5282, 5283, 5290, 5291, 5300, 5310, 5311, 5312, 5313, 5314, 5315, 5320, 5321, 5330, 5340, 5350, 5360, 5370, 5371, 5372, 5380, 5381, 5382, 5383, 5384, 5400, 5410, 5411, 5420, 5421, 5422, 5423, 5430, 5431, 5432, 5433, 5434, 5435, 5440, 5450, 5460, 5461, 5470, 5560, 5570, 5571, 5572, 5573, 5580, 5590	07/30/10	ADOPT: 70030, 70040, 71135, 71320, 71390, 71395, 71400.5, 71401, 71475, 71480, 71485, 71640, 71650, 71655, 71716, 71750, 71760, 74110, 74115, 76020, 76140, 76212, 76240 AMEND: 70000, 70010, 70020, 71100, 71110, 71120, 71130, 71140, 71150, 71160, 71170, 71180, 71190, 71200, 71210, 71220, 71230, 71240, 71250, 71260, 71270, 71280, 71290, 71300, 71310, 71340, 71380, 71400, 71405, 71450, 71455, 71460, 71465, 71470, 71500, 71550, 71600, 71630, 71700, 71705, 71710, 71715, 71720, 71730, 71735, 71740, 71745, 71770, 71810, 71850, 71865, 71920, 71930, 74000, 74002, 74004, 74006, 74120, 74130, 74140, 74150, 74160, 74170, 74190, 74200, 76000, 76120, 76130, 76200, 76210, 76215 REPEAL: 70030, 71000, 71005, 71010, 71020, 71330, 71360, 71410, 71415, 71420, 71490, 71495, 71505, 71510, 71515, 71520, 71555, 71560, 71565, 71605, 71610, 71615, 71650, 71655, 71725, 71775, 71800, 71805, 71830, 71855, 71860, 71870, 71875, 71880, 71885, 71890, 71900, 71905, 71910, 72000, 72005, 72010, 72020, 72101, 72105, 72110, 72120, 72130, 72140, 72150, 72160, 72170, 72180, 72190, 72200, 72210, 72220, 72230, 72240, 72250, 72260, 72270, 72280, 72290, 72300, 72310, 72330, 72340, 72360, 72380, 72400, 72405, 72410, 72415, 72420, 72450, 72455, 72460, 72465, 72470, 72500, 72505, 72515, 72520, 72550, 72555, 72560, 72565, 72570, 72600, 72605, 72610, 72615, 72650, 72655, 72700, 72701, 72705,
07/22/10	AMEND: 10300, 10302, 10305, 10310, 10315, 10317, 10320, 10322, 10323, 10325, 10326, 10327, 10328, 10330, 10335, 10337		
07/13/10	AMEND: 8034, 8035, 8042, 8043		
07/12/10	ADOPT: 5000, 5010, 5020, 5021, 5030, 5031, 5032, 5033, 5034, 5035, 5036, 5037, 5038, 5039, 5050, 5051, 5052, 5053, 5054, 5055, 5056, 5060, 5061, 5062, 5063, 5064, 5080, 5081, 5082, 5100, 5101, 5102, 5103, 5104, 5105, 5106, 5107, 5120, 5130, 5131, 5132, 5140, 5141, 5142, 5143, 5150, 5151, 5152, 5153, 5154, 5155, 5480, 5490, 5491, 5492, 5493, 5494, 5500, 5510, 5520, 5530, 5531, 5532, 5533, 5534, 5540, and 5550		
06/21/10	AMEND: 8070, 8072, 8073, 8074		
06/09/10	AMEND: 1689.1		
06/01/10	AMEND: 10020		
Title 5			
10/18/10	AMEND: 80015, 80015.1, 80015.2, 80015.3, 80015.4, 80021, 80021.1, 80024.7, 80024.8		
10/18/10	ADOPT: 1216.1		
10/01/10	AMEND: 57020 REPEAL: 50721, 50722, 50723, 50724, 50725, 50727, 50728, 50729, 50730, 50731, 50732		
09/13/10	ADOPT: 4800, 4801, 4802, 4803, 4804, 4805, 4806, 4807		

72710, 72715, 72720, 72725, 72730,	08/17/10	AMEND: 4885
72735, 72740, 72745, 72770, 72775,	08/09/10	AMEND: 9767.3, 9767.6, 9767.8,
72800, 72805, 72810, 72830, 72850,		9767.12, 9767.16, 9880, 9881, 9881.1,
72855, 72860, 72865, 72870, 72875,		10139
72880, 72885, 72890, 72900, 72905,	08/03/10	AMEND: 3563, 3651
72910, 72915, 72920, 72930, 73000,	07/22/10	AMEND: 5278
73010, 73100, 73110, 73120, 73130,	07/13/10	AMEND: 9789.70
73140, 73150, 73160, 73165, 73170,	07/01/10	AMEND: 4650, 4797, 4823
73180, 73190, 73200, 73210, 73220,	06/30/10	AMEND: 10232.1, 10232.2, 10250.1
73230, 73240, 73260, 73270, 73280,	06/30/10	ADOPT: 17300
73290, 73300, 73310, 73320, 73330,	06/29/10	ADOPT: 16450, 16451, 16452, 16453,
73340, 73350, 73360, 73380, 73390,		16454, 16455, 16460, 16461, 16462,
73400, 73410, 73420, 73430, 73440,		16463, 16464 AMEND: 16421, 16423,
73470, 73480, 73500, 73520, 73530,		16427, 16428, 16431, 16433, 16500
73540, 73550, 73600, 73610, 73620,	06/21/10	AMEND: 344.30
73630, 73640, 73650, 73660, 73670,	06/02/10	AMEND: 1590
73680, 73690, 73700, 73710, 73720,	05/25/10	AMEND: 1599
73730, 73740, 73750, 73760, 73765,		
73770, 73780, 73790, 73800, 73820,	Title 9	
73830, 73831, 73832, 73850, 73860,	10/18/10	ADOPT: 1810.326, 1810.376, 1810.439
73870, 73880, 73890, 73900, 73910,		AMEND: 1810.317, 1810.321,
74008, 74010, 74014, 74016, 74018,		1810.323, 1810.345, 1810.350,
74020, 74030, 74040, 74050, 74100,		1810.360, 1810.365, 1810.375,
74180, 74300, 74310, 74320, 75000,		1810.380, 1810.425, 1810.430,
75020, 75030, 75040, 75100, 75110,		1810.435, 1810.436, 1810.438,
75120, 75130, 76010, 76240		1820.220, 1820.225, 1830.215,
		1840.112, 1850.213
07/23/10 AMEND: 19816, 19816.1	09/20/10	ADOPT: 7212.1, 7212.2, 7212.3, 7212.4
06/09/10 AMEND: 19824, 19851, 19854		AMEND: 7210, 7211, 7212
05/27/10 ADOPT: 80048.8, 80048.8.1, 80048.9,	09/20/10	ADOPT: 7213, 7213.1, 7213.2, 7213.4,
80048.9.1, 80048.9.2, 80048.9.3		7213.5, 7213.6, 7214, 7214.1, 7214.2,
AMEND: 800.46.5, 80047, 80047.1,		7214.3, 7214.4, 7214.5, 7214.6, 7214.7,
80047.2, 80047.3, 80047.4, 80047.5,		7214.8, 7215, 7215.1, 7216, 7216.1,
80047.6, 80047.7, 80047.8, 80047.9,		7216.2, 7218, 7220, 7220.3, 7220.5,
80048.3, 80048.4, 80048.6 REPEAL:		7220.7, 7221, 7225 AMEND: 7213.3,
80048.2		7224, 7226, 7226.1, 7226.2, 7227,
05/20/10 ADOPT: 30730, 30731, 30732, 30733,		7227.1, 7227.2 REPEAL: 7213, 7213.1,
30734, 30735, 30736		7213.2, 7214, 7215, 7216, 7218, 7219,
		7220, 7221, 7225
Title 7	08/09/10	ADOPT: 4100, 4105, 4210, 4300, 4310,
10/13/10 AMEND: 212.5		4315, 4320, 4325, 4330, 4415, 4420
10/13/10 AMEND: 212.5	07/07/10	ADOPT: 1850.350(a), 1850.350(b),
06/21/10 AMEND: 202 REPEAL: 212		1850.350(c) AMEND: 1810.203.5(d)
Title 8	07/07/10	ADOPT: 1850.350(a), 1850.350(b),
10/05/10 AMEND: 3395		1850.350(c) AMEND: 1810.203.5(d)
09/27/10 AMEND: 10232.2		
09/23/10 AMEND: 9767.3	Title 10	
09/14/10 AMEND: 10253.1	10/18/10	ADOPT: 3575, 3576, 3577 AMEND:
09/13/10 AMEND: 5206(d)(4)(a),		3500, 3522, 3523, 3524, 3526, 3527,
1532.2(d)(4)(a), 8359(d)(4)(a)		3528, 3529, 3530, 3582, 3681, 3702,
09/01/10 AMEND: 1502		3703, 3721, 3724, 3726, 3728, 3731,
08/30/10 AMEND: 4848		3741
08/30/10 AMEND: 5158	10/11/10	ADOPT: 2278.50, 2278.51, 2278.52,
08/25/10 AMEND: Appendix B following section		2278.53, 2278.54, 2278.55, 2278.56,
5207		2278.57, 2278.58, 2278.59

09/28/10 ADOPT: 1409.1, 1414, 1422.4, 1422.4.1, 1422.5, 1422.6, 1422.6.1, 1422.6.2, 1422.6.3, 1422.7, 1422.7.1, 1422.9, 1422.10, 1422.11, 1422.12, 1424, 1437, 1950.122, 1950.122.2.1, 1950.122.4, 1950.122.4.1, 1950.122.5, 1950.122.5.1, 1950.122.5.2, 1950.122.5.3, 1950.122.5.4, 1950.122.6, 1950.122.7, 1950.122.8, 1950.122.9, 1950.122.10, 1950.122.11, 1950.122.12, 1950.205.1, 1950.209, 1950.307 AMEND: 1404, 1409, 1411, 1430.5, 1431, 1433, 1436, 1454, 1550, 1552, 1557, 1950.003, 1950.122.2, 1950.123, 1950.204.3, 1950.204.4, 1950.301, 1950.314.8, 1950.316, 1950.317 REPEAL: 1950.122

09/23/10 AMEND: 2274.70, 2274.71, 2274.72, 2274.73, 2274.74, 2274.75, 2274.76, 2274.77, 2274.78

09/20/10 AMEND: 2494.4.9

09/16/10 AMEND: 3006, 3007, 3007.05, 3007.2, 3007.3, 3007.6, 3008, 3010, 3011.1, 3011.2, 3011.4, 3012.2 REPEAL: 3005

08/24/10 AMEND: 3525, 3527, 3541, 3542, 3543, 3544, 3561, 3563, 3566, 3568, 3569, 3570, 3583, 3602, 3603, 3661, 3722

08/05/10 AMEND: 2646.6

07/30/10 AMEND: 2699.6700

07/29/10 ADOPT: 2548.1, 2548.2, 2548.3, 2548.4, 2548.5, 2548.6, 2548.7, 2548.8, 2548.9, 2548.10, 2548.11, 2548.12, 2548.13, 2548.14, 2548.15, 2548.16, 2548.17, 2548.18, 2548.19, 2548.20, 2548.21, 2548.22, 2548.23, 2548.24, 2548.25, 2548.26, 2548.27, 2548.28, 2548.29, 2548.30, 2548.31 REPEAL: 2548.1, 2548.2, 2548.3, 2548.4, 2548.5, 2548.6, 2548.7, 2548.8

07/21/10 ADOPT: 3575, 3576, 3577 AMEND: 3500, 3522, 3523, 3524, 3526, 3527, 3528, 3529, 3530, 3582, 3681, 3702, 3703, 3721, 3724, 3726, 3728, 3731, 3741

07/19/10 ADOPT: 2274.70, 2274.71, 2274.72, 2274.73, 2274.74, 2274.75, 2274.76, 2274.77, 2274.78

07/12/10 AMEND: 2698.600, 2698.602

07/01/10 AMEND: 2699.200, 2699.201

06/29/10 ADOPT: 2756, 2758.1, 2758.2, 2758.3, 2758.4, 2758.5, 2758.6, 2758.7, 2945.1, 2945.2, 2945.3, 2945.4 AMEND: 2750, 2911

06/24/10 AMEND: 2699.6500, 2699.6700, 2699.6707, 2699.6721

06/09/10 AMEND: 2699.6600, 2699.6607, 2699.6619, 2699.6621, 2699.6705, 2699.6715, 2699.6725

06/01/10 AMEND: 2498.6

05/26/10 AMEND: 2699.6809

05/19/10 ADOPT: 5500, 5501, 5502, 5503, 5504, 5505, 5506, 5507

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10/07/10 ADOPT: 994.9, 994.10, 994.11, 994.12, 994.13, 994.14, 994.15 AMEND: 994.1, 994.2, 994.4, 994.5, 994.6 REPEAL: 994.9, 994.10, 994.11, 994.12, 994.13, 994.14, 994.15, 994.16

10/06/10 AMEND: 9040, 9041

06/09/10 AMEND: 1005, 1018

06/09/10 AMEND: 1005, 1007, 1008

05/19/10 AMEND: 20

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10/12/10 ADOPT: 1235.7 AMEND: 1200, 1235.1, 1235.2, 1235.4, 1256

08/12/10 ADOPT: 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630

07/29/10 REPEAL: 171.04

07/23/10 ADOPT: 126.00, 126.02, 126.04, 127.00, 127.02, 127.04, 127.06, 127.08, 127.10 AMEND: 125.00, 125.02, 125.12, 125.16, 125.18, 125.20, 125.22

07/16/10 AMEND: 2449, 2449.1, 2449.2

07/08/10 AMEND: 1141(b)

06/14/10 AMEND: 440.04

06/14/10 AMEND: 345.24, 345.40, 345.41, 345.46, 345.50 REPEAL: 345.42

06/07/10 AMEND: 152.00, 190.03

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10/19/10 AMEND: Title 13: 2025, 2449, 2449.3, 2452, 2453, 2456, 2458, 2460, 2461, 2462 and Title 17: 93116.1, 93116.2, 93116.3

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10/18/10 AMEND: 13800

10/11/10 ADOPT: 749.6

10/07/10 AMEND: 20030, 20040, 20050, 20060, 20070, 20080, 20090, 20100, 20110

10/05/10 AMEND: 125, 125.1

10/05/10 ADOPT: 700.3 AMEND: 105, 105.1, 106, 107, 110, 112, 116, 119, 120.2, 120.3, 102.6, 120.7, 122, 123, 124.1, 126, 147, 149.1, 150, 150.02, 150.03, 150.05, 180.3, 180.15, 700.4, 705

10/05/10 AMEND: 25231

09/21/10 AMEND: 502, 507

09/21/10 AMEND: 787.1, 787.4, 787.5, 787.6 REPEAL: 787.2, 787.9

09/08/10	AMEND: 300	10/12/10	AMEND: 1399.501, 1399. 511, 1399.520, 1399.525, 1399.526, 1399.527, 1399.545, 1399.550, 1399.556, 1399.573, 1399.612 REPEAL: 1399.508
08/16/10	AMEND: 918, 938, 958	09/30/10	AMEND: 4200, 4202, 4204, 4206, 4208, 4210, 4212, 4214, 4216, 4218, 4220, 4226, 4228, 4230, 4234, 4236, 4240, 4242, 4244, 4246, 4248, 4250, 4252, 4254, 4258, 4264
08/12/10	AMEND: 6550.5	09/29/10	AMEND: 109(b)(2), 109(b)(7), 117(e)(2), 121(a)(2)
08/11/10	AMEND: 895.1, 916.9, 936.9, 956.9, 923.9, 943.9, 963.9 REPEAL: 916.9.1, 936.9.1, 916.9.2, 936.9.2, 923.9.2, 943.9.2	09/23/10	AMEND: 1391.1
07/20/10	AMEND: 670.5	09/23/10	ADOPT: 1399.419.1, 1399.419.2
07/19/10	AMEND: 632	09/22/10	ADOPT: 39, 40, 41, 42, 43, 44, 45, 46, 48, 48.1, 48.2, 48.3, 48.5, 48.6
07/12/10	AMEND: 7.50	09/21/10	ADOPT: 1426.1, 1430, 1431 AMEND: 1420, 1421, 1422, 1423, 1424, 1425, 1425.1, 1426, 1427, 1428, 1428.6, 1429, 1430 (renumbered to 1432)
06/24/10	AMEND: 360, 361, 362, 363, 364, 555, 708, 713	08/25/10	AMEND: 427.10, 427.30
06/23/10	AMEND: 919.9, 939.9	08/18/10	AMEND: 1721, 1723.1
05/26/10	AMEND: 7.50	08/12/10	AMEND: 2537, 2590
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10/14/10	ADOPT: 4168.7, 4171.5 AMEND: 4166, 4168, 4168.5, 4169, 4169.5, 4169.9, 4170.5, 4171, 4173, 4174, 4174.5, 4174.6 REPEAL: 4172	07/21/10	REPEAL: 1569
10/11/10	ADOPT: 3999.10	07/21/10	ADOPT: 2262.1 AMEND: 2262, 2276
09/22/10	ADOPT: 3999.9	07/09/10	AMEND: 3000, 3003, 3005, 3065 REPEAL: 3006
09/09/10	AMEND: 3605	07/09/10	AMEND: 411
08/19/10	ADOPT: 3268.3 AMEND: 3000, 3268, 3268.1, 3268.2	07/09/10	AMEND: 3340.42
08/13/10	ADOPT: 3540, 3541, 3542, 3543, 3544, 3545, 3546, 3547, 3548, 3560, 3561, 3562, 3563, 3564, 3565	07/07/10	AMEND: 3028, 3061
08/11/10	AMEND: 3350.2, 3352.2, 3356, 3358, 3390	06/30/10	AMEND: 1355.4
08/05/10	REPEAL: 3999.3	06/21/10	ADOPT: 1525, 1525.1, 1525.2
08/05/10	REPEAL: 3999.4	06/18/10	ADOPT: 39, 40, 41, 42, 43, 44, 45, 46, 48, 48.1, 48.2, 48.3, 48.5, 48.6
08/05/10	REPEAL: 3999.5	06/07/10	ADOPT: 1702
08/04/10	ADOPT: 3042 AMEND: 3040, 3040.1, 3041, 3041.2, 3043, 3043.1, 3043.3, 3043.4, 3043.5, 3043.6, 3044, 3045, 3045.1, 3045.2, 3045.3 REPEAL: 3040.2	06/03/10	AMEND: 4180
07/30/10	ADOPT: 3349.1.1, 3349.1.2, 3349.1.3, 3349.1.4, 3349.2.1, 3349.2.2, 3349.2.3, 3349.2.4, 3349.3, 3349.3.1, 3349.3.2, 3349.3.3, 3349.3.4, 3349.3.5, 3349.3.6, 3349.3.7, 3349.4.1, 3349.4.2, 3349.4.3, 3349.4.4, 3349.4.5, 3349.4.6 AMEND: 3349	05/27/10	AMEND: 314
07/27/10	REPEAL: 3999.2	05/20/10	AMEND: 1996.3, 1997
07/22/10	ADOPT: 3768, 3768.1, 3768.2, 3768.3 REPEAL: 3999.6	05/19/10	AMEND: 3340.1
07/13/10	ADOPT: 3505 AMEND: 3000, 3075.2, 3075.3, 3502, 3504	Title 17	
07/02/10	ADOPT: 8000, 8001, 8002	10/20/10	ADOPT: 95380, 95381, 95382, 95383, 95384, 95385, 95386, 95387, 95388, 95389, 95390, 95391, 95392, 95393, 95394, 95395, 95396, 95397, 95398
05/25/10	AMEND: 3170.1(g), 3173.2(d)	10/13/10	AMEND: 30100, 30195 REPEAL: 30321, 30321.1, 30322
05/25/10	AMEND: 3090, 3091, 3093, 3095	09/20/10	AMEND: 94508, 94509, 94510, 94511, 94512, 94513, 94515
Title 16		09/09/10	AMEND: 94801, 94804, 94805, 94806
10/18/10	AMEND: 3394.3, 3394.4, 3394.6	09/02/10	AMEND: 94700, 94701
		08/30/10	ADOPT: 95550

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08/26/10	AMEND: 60201, 60203, 60207, 60210, 70300, 70301, 70302, 70303, 70303.1, 70303.5, 70304, 70305, 70306	97300.119, 97300.121, 97300.123, 97300.125, 97300.127, 97300.129, 97300.131, 97300.133, 97300.135, 97300.137, 97300.139, 97300.141, 97300.143, 97300.145, 97300.147, 97300.149, 97300.151, 97300.153, 97300.155, 97300.157, 97300.159, 97300.161, 97300.163, 97300.165, 97300.167, 97300.169, 97300.171, 97300.173, 97300.175, 97300.177, 97300.179, 97300.181, 97300.183, 97300.185, 97300.187, 97300.189, 97300.191, 97300.193, 97300.195, 97300.197, 97300.199, 97300.203, 97300.205, 97300.207, 97300.209, 97300.211, 97300.213, 97300.215, 97300.217, 97300.219, 97300.221, 7300.223, 97300.225, 97300.227, 97300.229, 97300.231, 97320.1, 97320.3, 97320.5, 97320.7, 97320.9, 97320.11, 97320.13, 97320.15, 97320.17, 97320.19, 97320.21, 97320.23, 97320.25, 97320.27, 97320.29, 97320.31, 97321.1, 97321.3, 97321.5, 97321.7, 97321.11, 97321.13, 97321.15, 97321.17, 97321.19, 97321.21, 97321.23, 97321.25, 97321.27, 97321.29, 97321.31, 97321.33, 97321.35, 97321.37, 97321.39, 97321.41, 97321.43, 97321.45, 97321.47, 97321.49, 97321.51, 97321.53, 97321.55, 97321.57, 97321.59, 97321.61, 97321.63, 97321.65, 97321.67, 97321.69, 97321.71, 97321.73, 97321.75, 97321.77, 97321.79, 97321.81, 97321.83, 97321.85, 97321.87, 97321.89, 97321.91, 97321.93, 97321.95, 97321.97, 97321.98, 97321.99, 97321.101, 97321.103, 97321.105, 97321.107, 97321.109, 97321.111, 97321.113, 97321.115, 97321.117, 97321.119, 97321.121, 97321.123, 97321.125, 97321.127, 97321.129, 97321.131, 97321.133, 97321.135, 97321.137, 97321.139, 97321.141, 97321.143, 97321.145, 97321.147, 97321.149, 97322.1, 97322.3, 97322.5, 97322.7, 97322.9, 97322.11, 97322.13, 97322.15, 97323.1, 97323.3, 97323.5, 97323.7, 97323.9, 97323.11, 97323.13, 97323.15, 97324.1, 97324.3, 97324.5, 97324.7, 97324.9, 97324.11, 97324.13, 97324.15, 97324.17, 97324.19, 97324.21,
06/29/10	AMEND: 100070, 100090	
06/17/10	ADOPT: 95460, 95461, 95462, 95463, 95464, 95465, 95466, 95467, 95468, 95469, 95470, 95471, 95472, 95473, 95474, 95475, 95476, Appendix 1	
06/17/10	ADOPT: 95200, 95201, 95202, 95203, 95204, 95205, 95206, 95207 AMEND: 95104	
Title 18		
10/18/10	AMEND: 1020 REPEAL: 471	
08/26/10	AMEND: 1598	
07/19/10	ADOPT: 1698.5	
06/17/10	AMEND: 25136	
Title 19		
07/13/10	AMEND: 2729.7 and Appendix B of Article 4	
06/17/10	ADOPT: 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067	
Title 20		
09/01/10	AMEND: 1601, 1602, 1604, 1605.3, 1606, 1607	
07/08/10	AMEND: 2401, 2402, Appendix, Subdivisions (a) and (b)	
Title 21		
09/30/10	AMEND: 7000	
06/02/10	AMEND: 1411.1, 1411.7	
Title 22		
10/06/10	AMEND: 100080	
10/06/10	AMEND: 100080	
08/23/10	AMEND: 926-3, 926-4, 926-5	
08/02/10	ADOPT: 119900	
07/26/10	REPEAL: 97300.1, 97300.3, 97300.5, 97300.7, 97300.9, 97300.11, 97300.13, 97300.15, 97300.17, 97300.19, 97300.21, 97300.23, 97300.25, 97300.27, 97300.29, 97300.31, 97300.33, 97300.35, 97300.37, 97300.39, 97300.41, 97300.43, 97300.45, 97300.47, 97300.49, 97300.51, 97300.53, 97300.55, 97300.57, 97300.59, 97300.61, 97300.63, 97300.65, 97300.67, 97300.69, 97300.71, 97300.73, 97300.75, 97300.77, 97300.79, 97300.81, 97300.83, 97300.85, 97300.87, 97300.89, 97300.91, 97300.93, 97300.95, 97300.97, 97300.99, 97300.103, 97300.105, 97300.107, 97300.109, 97300.111, 97300.113, 97300.115, 97300.117,	

97324.23,	97324.25,	97324.27,	97416.11,	97417.1,	97418.1,	97420.1,
97324.29,	97324.31,	97324.33,	97420.3,	97420.5,	97421.1,	97425.1,
97324.35,	97324.37,	97324.39,	97425.3,	97425.5,	97425.7,	97425.9,
97324.41,	97324.43,	97324.45,	97426.1,	97426.3,	97426.5,	97426.7,
97324.47,	97324.49,	97324.51,	97426.9,	97426.11,	97431.1,	97431.3,
97324.53,	97324.55,	97324.57,	97431.5,	97432.1,	97433.1,	97433.3,
97324.59,	97324.61,	97324.63,	97434.1,	97434.3,	97434.5,	97434.7,
97324.65,	97324.67,	97324.69,	97434.9			
97324.71,	97324.73,	97324.75,	07/23/10	AMEND:	66261.3,	66261.4,
97324.77,	97325.1,	97325.3,			66268.1,	
97325.7,	97325.9,	97326.1,	07/22/10	ADOPT:	52000,	52100,
97326.5,	97326.7,	97326.9,			52101,	52102,
97326.13,	97326.15,	97331.1,			52103,	52104,
97331.5,	97331.7,	97332.1,			52500,	52501,
97333.3,	97333.5,	97333.7,			52502,	52503,
97333.11,	97333.13,	97333.15,	07/21/10	AMEND:	52504,	52505,
97333.17,	97333.19,	97333.21,	06/24/10	AMEND:	52506,	52508,
97333.23,	97335.1,	97335.3,			52509,	52510,
97341.3,	97341.5,	97341.7,			52511,	52512,
97342.1,	97343.3,	97343.5,			52513,	52514,
97343.7,	97343.9,	97343.11,	06/22/10	AMEND:	52515,	52516,
97343.13,	97345.1,	97345.3,	06/17/10	AMEND:	52600	
97345.5,	97350.1,	97350.3,			97232	
97350.7,	97350.9,	97352.1,	05/25/10	AMEND:	51510,	51510.1,
97352.5,	97352.7,	97352.9,			51510.2,	51510.3,
97353.1,	97353.3,	97353.5,	05/19/10	AMEND:	51511,	51511.5,
97353.9,	97353.11,	97353.13,			51511.6,	51535,
97353.15,	97354.1,	97354.3,			51535.1,	51544,
97354.5,	97361.1,	97361.3,			54501	
97361.5,	97362.1,	97363.1,	06/22/10	AMEND:	2706-7	
97363.3,	97363.5,	97363.7,	06/17/10	AMEND:	51516.1	
97363.9,	97363.11,	97364.1,	05/25/10	AMEND:	66262.44	
97364.3,	97364.5,	97364.7,			100159,	100166,
97364.9,	97365.1,	97365.3,			100171	
97365.5,	97370.1,	97370.3,	Title 22, MPP			
97370.5,	97370.7,	97372.1,	10/11/10	AMEND:	88030	
97372.3,	97372.5,	97372.7,	09/03/10	ADOPT:	84067	
97372.9,	97373.1,	97373.3,			AMEND:	83064,
97373.5,	97373.7,	97374.1,			84001,	84076,
97374.3,	97381.1,	97381.3,			84079,	84087.2,
97381.5,	97381.7,	97381.9,			84088,	84090,
97381.11,	97382.1,	97383.1,	07/09/10	ADOPT:	87606	
97383.3,	97383.5,	97383.7,			AMEND:	87202,
97383.9,	97383.11,	97383.13,			87208,	87212,
97383.15,	97383.17,	97383.19,			87455,	87633
97383.19,	97384.1,	97384.3,	Title 23			
97384.5,	97384.7,	97385.1,	09/27/10	ADOPT:	2922	
97385.3,	97385.5,	97390.1,	09/22/10	ADOPT:	2921	
97390.3,	97391.1,	97392.1,	09/15/10	ADOPT:	3929.4	
97392.3,	97392.5,	97392.7,	07/19/10	ADOPT:	6932	
97392.9,	97392.11,	97392.13,			REPEAL:	6932
97392.15,	97394.1,	97395.1,	07/12/10	ADOPT:	3929.3	
97395.3,	97401.1,	97401.3,	07/12/10	ADOPT:	3919.8	
97401.5,	97401.7,	97402.1,	05/20/10	ADOPT:	2910	
97402.3,	97403.1,	97403.3,			REPEAL:	2910
97403.5,	97404.1,	97404.3,	Title 25			
97404.5,	97404.7,	97404.9,	07/19/10	ADOPT:	6932	
97405.1,	97405.3,	97411.1,			REPEAL:	6932
97405.5,	97411.3,	97411.5,	06/11/10	AMEND:	8315	
97411.7,	97411.9,	97411.11,	05/25/10	AMEND:	7966,	7970
97411.13,	97412.1,	97412.3,	Title 27			
97412.5,	97412.7,	97412.9,	07/13/10	AMEND:	25705(b)	
97412.11,	97413.1,	97413.3,	Title MPP			
97413.5,	97413.7,	97413.9,	09/03/10	ADOPT:	31-021	
97413.11,	97414.1,	97414.3,			AMEND:	31-003,
97414.5,	97416.1,	97416.3,			31-410,	31-501
97416.5,	97416.7,	97416.9,	08/26/10	AMEND:	40-188	
			08/26/10	AMEND:	44-211	
			08/26/10	ADOPT:	91-101,	91-110,
					91-120,	91-130,
					91-140	
			06/10/10	AMEND:	42-302,	42-712,
					42-713	
			06/02/10	AMEND:	19-005	